Daily Report

Latin America

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FBIS-LAT-95-125 *29 June 1995*

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Presidents Hold News Conference After Meeting

PA2906040195 Guatemala City Teleonce Television in Spanish 0345 GMT 26 Jun 95

[Report on a news conference by Salvadoran President Armando Calderon Sol and Honduran President Carlos Roberto Reina with domestic and foreign reporters in Guatemala City, Guatemala, on 26 June—recorded]

[FBIS Translated Text] The permanence of the Central American Parliament, the regional human rights situation, and the regional countries' assuming joint positions at international forums were some of the points on which the Central American presidents focused during a news conference after a meeting in Guatemala City today:

[Begin Salvadoran President Armando Calderon Sol recording] This was the spirit that prevailed at this meeting, a spirit of Central American solidarity. There was agreement on the need to establish joint positions on subjects of importance and interest for the region. We discussed the need to take joint issues to meetings such as the one to be held in Denver, Colorado, next week. During this meeting of economy and commerce ministers, we also should present a joint Central American position, taking advantage of world and continental forums, and present the strategy of sustainable development in our region. We also broached other important subjects dealing with Central America's needs, such as the exchange of police information and the need to combat organized crime.

We all learned of an air tragedy in Guatemala and that some of the victims had Salvadoran passports. We heard the Guatemalan president's offer of full cooperation to facilitate this investigation by Salvadoran authorities. The presidents also talked about the need for cooperation of all the area countries to protect life and to combat organized crime in the region.

The presidents also expressed support for Guatemala's wonderful peace effort, the Guatemalan Government's and people's sure and firm steps in the person of President De Leon and the fulfillment of the ultimate goal—the consolidation of complete peace in Guatemala. All the Central American presidents expressed support for the Guatemalan peace process. There is a clear recognition of Guatemala's efforts.

In addition, we have received and want to spotlight the clear support for Nicaragua and President Violeta de Chamorro, for her effort and the political agreement she succeeded in having signed in Managua between the executive and the legislature. We would like to congratulate her for her efforts in consolidating democracy and reconciliation in her country. The presidents clearly agreed on this support for Nicaragua and President Chamorro for her wonderful efforts and this political agreement between the executive and legislature, an agreement which consolidates the democratic process in Nicaragua.

Similarly, the presidents expressed a clear determination to support the Central American Parliament, which Guatemala City is honored to host. We believe this political instrument deserves the presidents' full support and efforts to integrate the region. We clearly support the Central American Parliament. We believe the Parliament has become an operational instrument for integration in every field, not only in the economic but in the political field as well. These are the main topics we discussed.

We also talked about other subjects, such as our trip to New York on the occasion of the festivities to commemorate the United Nations' 50th anniversary in October. We also discussed the need for the Central American presidents to be in the United Nations for this event in New York. Nearly all the world's heads of state will be at the United Nations. We will take advantage of this trip to go to Boston and Harvard. The Costa Rican president has been put in charge of making the necessary contacts, in the name of all of the presidents. A significant progress has already been made. We will be able to hold some meetings and forums in Boston and talk about sustainable development, the joint implementation of several projects in Central America, and a Central American tourist circuit. [end recording]

Honduran President Carlos Roberto Reina and Costa Rican President Jose Maria Figueres Olsen also answered several questions during this afternoon's informative meeting held at the National Palace:

[Begin Reina recording] The pro tempore secretariat will come to my hands later, because the next summit will be held in Honduras. There, we will reaffirm the commitments of sustainable development. Before this happens, however, we will meet in the United States with integration experts. In this particular instance, we are not dealing with Nicaragua and Honduras only but, rather, with all countries of the region as well. The Central American Parliament is both an expression of this integration and a political forum, which we support as we do all democratic processes such as the one that has just taken place in Nicaragua, for which we are all very pleased. We are fully in an integrationist campaign, which has been made possible only after legitimate, genuinely (?democratic) governments assumed office in five countries.

[Reporter Guillermo Castellanos] In the most recent years, Costa Rica has taken a rather reserved position

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regarding the Central American Parliament. [Words indistinct] we all know this subject has aroused great (?interest) in our country, because [words indistinct]. The government's position has been to [word indistinct] this institution [words indistinct] and go ahead with the integration process, which leads to an alliance for hemispheric development. [Words indistinct] I think there should be an important discussion as part of [words indistinct].

[Reina] Your question, Mr. Castellanos, is very timely and originates in THE BALTIMORE SUN's position. This newspaper has headlined the problem that occurred in Central America and, in particular, in my country during the 1980's. We have had no time to discuss this matter, because this is an extensive subject.

My conclusion is that if THE BALTIMORE SUN added anything to what already has been published, it is positive. In addition, the individuals who were interrogated have confessed they perpetrated crimes. If they confessed, they are criminals who can be extradited. This is another conclusion of this event [words indistinct] trying to (?criticize) U.S. agencies for their involvement in Central America, which must take several political decisions.

This is a Central America where the trafficking of aliens is perhaps as strong as drug trafficking. This is a Central America [words indistinct], and, therefore, a place where all things collide with one another. I was a defender of human rights even before I became president. I have continued to defend them during my term and will continue to do so even after I am president no longer. All criminals should be tried and punished.

[Unidentified reporter] Mr. President, do you think it is possible [words indistinct]?

[Reina] To me, the defense of human rights goes hand in hand with democracy. All democratic governments in Central America should cooperate with one another to defend mankind from power excesses, as it happened in the lost decades of the Cold War, where circumstances of terror deeply harmed the Central American people.

[Reporter] [Words indistinct] there have been meetings of Central American police bodies to discuss drug trafficking and the trafficking of stolen cars in the area [words indistinct] regional integration.

[Calderon Sol] I can tell you there have been meetings of the area's police organizations to discuss the stealing of cars. Today, I mentioned the need to speed up mechanisms to exchange information, because Central American capitals are just hours away from their respective borders. Cars stolen in San Salvador are at the border or have crossed it in three hours. Something similar happens from Guatemala to San Salvador and from Tegucigalpa to Managua and vice versa. There is an entirely organized system. The police have been doing an excellent job of following up on this issue. Also, we have received cooperation from Interpol, an international organization for combating this type of crime and others.

We expect to attain greater efficiency. In El Salvador and other Central American countries, we have been striking at organized crime and the trafficking of stolen cars. In Nicaragua, there are more than 30 recovered Salvadoran cars. As you see, the Nicaraguan police and government have been cooperating in the seizure of cars. The various actions have been yielding fruit in these presidential summits. Your other question?

[Reporter] Regional integration.

[(Calderon Sol] Regional integration is a true success. You and everyone else in Central America can observe the trade of goods. Central American trade is a reality that no one can deny. Central America's trade and integration are admired throughout the world. Central America is regarded as truly integrated commercially. You see, there is free trade. Salvadorans eat vegetables produced in Guatemala, for instance. There is an entire exchange of wonderful products in the region, which has been increasing more and more. I can tell you that this is also the result of all these presidential meetings that have inspired greater confidence in Central American institutions. [end recording]

Economy Ministers Establish Rules For Next 3 Years

PA2706192195 Guatemala City PRENSA LIBRE in Spanish 24 Jun 95 p 52

[FBIS Translated Text] Last night, the economy ministers of Central America approved in San Salvador the operational plan that in the next three years will orient the economic integration of the region, a process that is advancing despite the differences that the governments of the isthmus are facing on tariff matters.

The document signed by these ministers set the challenges for the Secretariat of Central American Economic Integration, SIECA, for the 1995-1998 period and was prepared based on consultations with the different countries of the region.

At the conclusion of the meeting, Marco Antonio Vargas, minister of economy, industry and commerce of Costa Rica, stated that the working plan for SIECA

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establishes the *improvement of free commerce in Central America* for the purpose of *improving first our house.*

He added that the regional organism will take on the responsibility of representing the area's nations in international and hemispheric commerce as a *new mission the SIECA will undertake with great zeal,* in addition to the studies it will continue conducting to orient economically the Central American governments.

That represents everything that the ministers have been discussing for over one year to improve our house through the establishment of clear regulations and the handling of our differences, Vargas noted at the conclusion of the seven-hour long meeting.

In that respect, the Central American minister stated that *last year we made real effort to improve Central American integration* and mentioned a series of regulations such as the *norms on origin, disloyal commerce, and safeguards* that contribute to that objective.

Brazilian Official Evaluates Ecuador-Peru Talks

PY2806215695 Madrid EFE in Spanish
1744 GMT 28 Jun 95

[By Edgar Hernandez]

[FBIS Translated Text] Brasilia, 28 Jun (EFE) — The guarantors of the Rio de Janeiro Protocol, who are involved in trying to solve the conflict between Ecuador and Peru, hope to reduce their participation in the peace negotiations and leave the two Andean countries in condition to establish a direct dialogue.

Brazilian Deputy Foreign Minister Sebastiao do Rego Barros pointed out that "important progress" in that direction was made in the lastest round of negotiations held in Brasilia, which was suspended on 26 June.

Another source of the guarantors emphasized that "what is hoped is that Ecuador and Peru open a direct channel for dialogue." He also clarified that "we are not arbiters, or mediators; we don't propose anything."

The diplomat added: "We only facilitate the mechanisms for mutual confidence to emerge."

Do Rego Barros, coordinator of the guarantor countries (Argentina, Brazil, Chile, and the United States), revealed that during the five days of negotiations in Brasilia, the negotiators talked around a table with extended maps, and with the active participation of the military experts.

Several possibilities were discussed during the talks, and although there were no concrete results, the new discussion mechanism was considered by the guarantors to be a great step toward the purpose of the guarantors; namely, reducing their participation as much as possible.

Do Rego Barros used the word "disengagement," which means getting away gradually from something tying you up, to explain the intention of the guarantors to leave in the hands of the negotiators of Ecuador and Peru the direct negotiations involving the issues.

Before this round of meetings began, the format followed in the sessions put the guarantors at the center of dialogue, with the separate participation of Ecuador and Peru, and infrequently with the latter two in the same session.

This is how the negotiations were held to put an end to the undeclared war on 17 February and for the release of the May declaration calling for negotiations to define the zone to be demilitarized.

A call was also made to release prisoners, to expedite the opening of the border for trade, to deactivate mines, and to reestablish direct dialogue.

Do Rego Barros added that the guarantors will still cooperate for the demilitarization, with the help of the Mission of Military Observers, but that the other issues will have to be dealt with directly by Ecuador and Peru.

Do Rego Barros pointed out that the effort now is to encourage an environment of confidence for the negotiations, and that Brazil and the other guarantors "are confident that progress will be made."

He added: "The idea is that the guarantors would not have to deal with the other issues."

Do Rego Barros emphasized, however, that the dialogue between Ecuador and Peru has not sufferred a setback nor is it at a standstill, and that positive progress will be made to reconcile the disagreements.

He said the negotiations will be resumed after Deputy Foreign Ministers Marcelo Fernandez and Eduardo Ponce of Ecuador and Peru respectively hold the appropriate consultations with their governments.

Do Rego Barros told EFE: "We did not set a date for the resumption of the talks to prevent a wave of speculation and comments about failure if the date is not met."

Another source said it is possible the talks will be resumed next week.

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Do Rego Barros pointed out that things are not as bad as some people believe or as good as the guarantors would like, and that the situation should not be strained with fatalist observations such as those coming from Quito and Lima due to the suspension of the talks in Brasilia.

Do Rego Barros insisted that "the negotiations were suspended, not interrupted."

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Cuba

Foreign Ministry Spokesman Reacts to Clinton Speech

PA2806164295 Havana PRENSA LATINA in Spanish 1518 GMT 28 Jun 95

[FBIS Translated Text] Havana, 28 Jun (PL) — U.S. President William Clinton's declared determination to maintain the economic blockade against Cuba underscores that country's international isolation in its resolve to smother the island, a Foreign Ministry spokesman pointed out today.

Rafael Dausa, chief of the Cuban Foreign Ministry's Analysis Department, told PRENSA LATINA that the speech delivered yesterday by Clinton did not contribute anything new, other than confirming changes in Washington's migration policy toward Havana.

In a speech delivered in Oregon, Clinton apparently responded to criticism from right-wing radicals of Cuban origin living in Miami, and he defended the migration agreement signed on 2 May by stating that the change of policy has saved many lives.

What disappoints us the most, Dausa stressed, is that he is once again emphasizing his support for the policy of economic sanctions against Cuba, a measure Dausa described as unfair and irrational.

In turn, Dausa said, the United States' international isolation will continue, because the blockade against the island has been condemned repeatedly at various international forums — for example, at three consecutive sessions of the UN General Assembly, whose most recent session featured 101 votes opposing this policy.

The Helms-Burton bill, which is currently being discussed in the U.S. Congress, has sparked protests in approximately 115 countries. This bill seeks to further intensify the blockade with the threat of imposing penalties on third-party individuals, nations, or companies that trade with Cuba.

Mexico and Canada, signatories of NAFTA along with the United States; the head of the EU; and individual governments have stated their opposition to this document, which the Cubans consider to be "a hideous brainchild that violates international law."

Dausa also stressed his country's willingness to engage in dialogue, although he warned that Cuba has never accepted, accepts now, or will ever accept impositions or conditions of any sort to normalize relations with the United States.

Official Views Implications of New Helms Bill Version

PA2806183895 Havana PRENSA LATINA in Spanish 0950 GMT 28 Jun 95

[FBIS Translated Text] Havana, 28 Jun (PL) By expanding the concept of "trafficking," the new Helms-Burton bill proposes to sanction a greater number of foreign firms who have direct or indirect relations with U.S. properties nationalized in Cuba.

After diverse criticisms, including those of President Clinton, Congressmen Jesse Helms and Dan Burton presented a new version of the bill that violates international law on a much larger scale.

According to a memorandum from Michael Krinsky, Cuba's legal representative in the United States, the scope given to the meaning of "trafficking" in confiscated U.S. possessions is alarming.

The document, to which PRENSA LATINA gained access, explains that against all logic, sponsors of the bill designates as a "trafficker" any individual who directly or indirectly obtains benefits from expropriated U.S. properties in Cuba.

With this provision, parent companies in third nations that have interests in the United States, and whose subsidiaries accrue any earnings from nationalized properties will be prosecuted in U.S. courts as "traffickers."

"The modification with regard to the first version is of enormous importance," Krinsky stated. He also highlighted the illegality of this provision. According to commercial law, the parent firms and subsidiaries are totally sovereign in their decisions and are not responsible for the actions of the other.

The legislative proposals also expand the definition of those who would be considered "traffickers" of U.S. property and therefore liable to prosecution in U.S. courts.

For Senator Helms and Representative Burton, all managers or officials with firms declared traffickers will also be declared as such, since "they would have influenced, approved, or participated in the decisions to trade with Cuba."

Moreover, foreign banks that have any financial connection with the United States and which at the same time obtain benefits from banking services to firms operating with properties confiscated by the Cuban Government, will also be charged with the crime of "trafficking."

Finally, service and banking firms that "support" trade or investment with Cuba will be charged. This includes, for

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example, shipping companies who transport materials to locations in Cuba.

Legal Expert Warns of New Version

FL2806150695 Havana Radio Rebelde Network in Spanish 1155 GMT 28 Jun 95

[From the "Doing Radio" program]

[FBIS Translated Text] By expanding the concept of trafficking, the new Helms-Burton bill proposes to sanction a greater number of foreign firms who have direct or indirect relations with U.S. properties nationalized in Cuba. After diverse criticisms, including those of President Clinton, a new version that violates international law on a much larger scale was presented. According to a memorandum from (Michael Krinski), Cuba's legal representative in the United States, the scope given to the meaning of trafficking in confiscated U.S. possessions is alarming. Against all logic, sponsors of the bill designate as a trafficker any individual who directly or indirectly obtains benefits from expropriated U.S. properties in Cuba. According to a PRENSA LATINA report, parent companies in third nations that have interests in the United States, and whose subsidiaries accrue any earnings from nationalized properties will be prosecuted in U.S. courts as traffickers. The legislative proposals also expand the definition of those who would be considered traffickers of U.S. property and therefore liable to prosecution in U.S. courts. The new bill stresses that all managers or officials of firms will be declared traffickers, since they all would have influenced, approved, or participated in the decisions to trade with Cuba. Moreover, foreign banks that have any financial connection with the United States which at the same time supply banking services to firms operating with properties confiscated by the Cuban government will also be charged with the crime of trafficking. Finally, service and banking firms that support trade or investment with Cuba will be charged. This includes, for example, shipping companies who transport materials to locations in Cuba.

Headline: U.S. Russian Aid Reduced for Cuban Involvement

FL2806191795 Havana Radio Rebelde Network in Spanish 1155 GMT 28 Jun 95

[PRENSA LATINA headline; from the "Doing Radio" program]

[FBIS Translated Text] The U.S. House of Representatives has approved an amendment to reduce economic aid to Russia by $15 million for their participation in the Cuban nuclear project.

Cuba-U.S. Agricultural-Technical School Launched

FL2806151095 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 20 Jun 95

[From the "NTV" newscast]

[FBIS Translated Text] The first Cuba-United States agricultural-technical school was inaugurated today at the Animal Sciences Institute of the (Iscash) Scientific Complex. The opening speech was given by Dr. Hettinger, a renown U.S. academic and president of the Agricultural Services Foundation, the largest, oldest, and most prestigious organization of this type in the world. The reason for this foundation, created in 1964, is to analyze world nutrition, starvation and malnutrition, based on cultural and scientific vocational exchanges.

The first seminars were held in the Soviet Union in 1966 and since then [words indistinct]. The delegation is made up of 27 important personalities from seven universities in the United States: veterinarians, biotechnologists, agricultural specialists, ranchers, farmers, and nutritionists. The desire to hold a seminar in Cuba had been a long time goal.

[Begin Dr. Hettinger recording in English with superimposed translation into Spanish] It is a strong feeling because it took 20 years before it could actually take place. My hope is that we can have scientific and research exchanges that would be beneficial to the two countries. I believe you are among the first to work on sustainable agriculture, which will be very important in the next century. [end recording]

In Cuba, the conference will cover the problems facing the agriculture and livestock industries at the beginning of the 21st Century: animal biotechnology, the sugar harvest, and other topics.

The Cuba-United States agricultural-technical school will offer more than 50 conferences which will be repeated at the University of Camaguey.

PRENSA LATINA Reports EU's 'Unprecedented Opening' To Cuba

PA2806171295 Havana PRENSA LATINA in Spanish 1528 GMT 28 Jun 95

[FBIS Translated Text] Brussels, 28 Jun (PL) — The EU today unanimously agreed to expand its ties with Cuba, which in the future could lead to a cooperation agreement between the two sides.

The Manuel Marin, EU vice president in charge of relations with Latin America, submitted the proposal at a meeting of the European Commission, the group's executive body.

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Experts regard this decision to expand the dialogue with the Cuban Government as a signal of an unprecedented opening toward Cuba.

Cuba is the only Latin American country with which the EU, until now, has not signed a cooperation agreement because of political considerations.

The topic of Cuba came to the forefront at the European Commission in the wake of the recent visit to Havana by Emma Bonino, the person in charge of the commission's humanitarian aid.

An EU spokesman noted that, during the debate of the proposal, some very interesting discussions took place, with the initiative eventually being approved unanimously.

In 1994, the EU opened a humanitarian liaison office in Havana, and since then several EU officials have visited Cuba to meet with local authorities.

The officials who flew to Cuba praised the Cuban Government's use of humanitarian aid provided by the EU.

EU Approves Proposal to Strengthen Relations

FL2906021195 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 29 Jun 95

[From the "NTV" newscast]

[FBIS Translated Text] The European Commission, the European Union's executive body, has approved a proposal aimed at strengthening and broadening relations with Cuba. Observers believe this could be the first step toward a future cooperation accord between Cuba and the European Union. The approved document demonstrates that the community's actions with regard to Cuba have reached a significant level over the past few years.

The European Union's humanitarian aid to Cuba should be underscored. In this area, the European Union earmarked approximately $19 million in 1994.

Melendez Signs Agreements, Concludes Brazilian Visit

FL2906015495 Havana Radio Rebelde Network in Spanish 2300 GMT 28 Jun 95

[From the "Exclusive" program]

[FBIS Translated Text] Ernesto Melendez, Cuban minister of Foreign Investment and Economic Cooperation, today concluded a visit to Brazil, during which he signed agreements for the utilization of lignin and cellulose from sugarcane husks [bagasso].

Melendez initiated his tour on 19 June, visiting Rio de Janeiro, Belo Horizonte, and Sao Paulo, where he participated in seminars and meetings with businessmen to discuss Cuba's situation, its commercial opening and business prospects, particularly in the tourism sector.

Melendez met the governors of the three states that he visited, and also met Vice President Marco Maciel in Brasilia.

Official: Foreign Investment Law Completed

FL2806171795 Havana Radio Rebelde Network in Spanish 2300 GMT 27 Jun 95

[FBIS Translated Text] Octavio Castilla, vice minister of foreign investment and economic cooperation, said that the new law on investment in Cuba was completed today and is undergoing review. During a meeting with businessmen held at the Heredia Convention Center in Santiago de Cuba at the Expocaribe-95 fair, Castilla explained that the new law is more attractive than the previous law because it is more open to competitiveness, offers clearer and simpler tracks for business relationships, simplifies the investment approval process, and introduces new types of associations such as industrial parks and real estate ventures.

Trade Minister Reports Growth in GDP, Commercial Trade

PA2806193295 Havana PRENSA LATINA in Spanish 0926 GMT 28 Jun 95

[By Mario Esquivel]

[FBIS Translated Text] Santiago de Cuba, 28 Jun (PL) — GDP growth in 1994 and progress shown by Cuban exports are signs of a recovery trend in the island's economy, official sources have said.

Foreign Trade Minister Ricardo Cabrisas has noted that the GDP registered a 0.7 percent increase last year, while commercial trade rose by 9 percent.

Exports rose 18 percent from 1993 levels, and there was an upward trend during the first six months of this year, particularly in the tourism, pharmaceutical, and biotechnology sectors.

The official added that, by the close of 1994, foreign investment amounted to $1.5 billion and involved 212 economic associations from 58 countries, most of which are in Europe.

Cuba's program to join the new global economy has resulted in the registration of 600 foreign business firms on the island, 37 from the Caribbean, while investment protection agreements have been signed with six countries; 20 others are currently being negotiated.

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Specifically, Cabrisas pointed out, trade with the Caribbean in 1994 amounted to $200 million, although the balance was unfavorable to the island with exports totaling $20 million and imports totaling $180 million.

Expenditures for the purchase of food and fuel — 60 percent of the country's total imports — are still a priority of the trade regime, and these goods are being bought instead of raw materials and component parts for the industrial sector.

In the opinion of experts, solid short-term growth is indicative of the country's transition from its current production structure to a regulated market economy.

According to George Carriazo, deputy director of the Center for Economic and International Research, this is part of a strategy to return to international markets while maintaining the revolution's achievements in social justice over the past three decades.

Pending problems in the island's economic outlook, the specialist noted, include the sugar industry, whose recovery should start in 1996 as part of a two- or three-year process, as well as the need to restore the purchasing power of the nation's currency.

The country's industrial infrastructure — valued at about 60 billion pesos, which is equivalent to the same amount in dollars — requires technological renovation.

There is also a need to restructure the state apparatus and to find jobs for about 500,000 people of working age, and to do this, self-employment options have been broadened. There also is the problem of the dual monetary system created by the decriminalization of the possession of foreign currency.

Within this context, Carriazo pointed out, a continuation of the reform policy designed by Cuban authorities will create a positive environment for development accompanied by growth rates ranging from 0 percent, in a worst-case scenario, up to 5 percent.

In the opinion of experts, the Caribbean is gaining an increasingly important role for the Cuban economy, because current exchanges with Latin America and the Antilles represent 30 percent of the island's overall trade.

According to official figures, exchanges between the island and the rest of the Caribbean totaled $200 million in 1994 with the balance being favorable to the subregion.

Haiti

Aristide Plans To Review U.S. Training of Policemen

PA2806125095 Paris AFP in Spanish 0239 GMT 28 Jun 95

[FBIS Translated Text] Port-of-Prince, 27 Jun (AFP) — Today, President Jean Bertrand Aristide placed two conditions, "among other conditions," on the training of new Haitian policemen in the United States.

In response to a question from AFP regarding the departure of the first contingency of Haitian policemen to the United States on Wednesday [28 June], Aristide stressed "the Haitian Government needs to recruit these young men to create a good police force."

"A Haitian delegation also is needed to review the training to keep the nation abreast of the kind of training they are receiving," Aristide added. "If the two conditions are met, we can continue to increase security in the country," Aristide stated.

On Wednesday, 350 new civilian policemen are scheduled to travel aboard a chartered flight to Ft. Leonard Wood (Missouri) to receive two months of training. Intended to double the number of policemen in the Port-of-Prince Police Academy, this measures has raised some concern in the city. Many officers of the former Haitian Army, which was disbanded by Aristide, who were implicated in the 30 September 1991 coup were trained in the United States.

U.S. Delegations' Opinions on Elections Noted

Port-au-Prince Radio Metropole in French 1600 GMT 27 Jun 95

[FBIS Translated Excerpt] Sunday's elections: an important step toward consolidating democracy. So says the delegation sent by Washington to observe the elections. The White House's representative, Mr. Brian Atwood, nonetheless acknowledged the problems noted during the electoral operations. He hopes those problems will be solved for the second round of elections. It must be noted that Washington is already thinking about the presidential elections to be held at the end of this year. Here is a report by Rothschild Francois Jr.

[Francois] [passage omitted] Mr. Atwood stressed that President Aristide and the president of the CEP [Provisional Electoral Council] were dismayed by the difficulties encountered during Sunday's elections. The head of the American delegation came to the defense of the president of the CEP, highlighting the complexity of this election and, also, what is at stake with these elections

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as regards the future of democracy in Haiti. [passage omitted including recorded Atwood statement]

Brian Atwood also thinks that President Aristide's behavior has been exemplary. [passage omitted] President Clinton's representative has already promised U.S. technical assistance within the framework of next December's presidential elections.

For their part, the Republicans harshly criticized the CEP, which is responsible for all the irregularities observed Sunday. The International Republican Institute [RI], which deployed observers throughout Haiti's nine regions, called the electoral process arbitrary. The RI thinks that it will be impossible to count the votes because of these irregularities.

The RI notes that only the Haitian people have the right to acknowledge or contest the validity of the election.

In responding to a journalist's question as to what consequences the 25 June vote might have on the U.S. Congress' position on aid to Haiti, Porter Goss, the Republican Party representative from Florida, explained that it would be irresponsible on his part to recommend a reduction in aid to Haiti because of these elections, which were marked by serious irregularities. Goss says that the RI will maintain its presence on the scene — while stressing the importance of the 25 June vote within the framework of the separation of powers as defined in the Haitian Constitution of 1987.

Aristide Makes Solemn Appeal for Calm 27 Jun

Port-au-Prince Signal FM Radio in French
1030 GMT 28 Jun 95

[FBIS Translated Text] President Jean-Bertrand Aristide yesterday solemnly asked Haitian political leaders and the population to remain calm, after Sunday's first round of elections, which he called a great step along the path of democracy. He recalled that we all have in common a country named Haiti. Not a single ballot more must burn at any polling station — declared the Haitian president, who was speaking during a news conference held at his office in the National Palace.

There are people who suffered on election day because of delays or mistakes, but they suffered much more over the course of the last three years of the military regime — reminded President Aristide. We must, through dialogue, repair what must be repaired. Certain criticisms are well-founded — he said, expressing the opinion that social calm is indispensable in order to advance the process.

The Haitian chief of state said he would meet, soon, with his country's political leaders, a step that the president of the Provisional Electoral Council [CEP] was going to begin to take as of today.

Those who set fire to ballots or polling stations because they lost do not yet know what democracy is. A good democrat awaits the results before asserting his point of view — stressed Aristide.

[Words indistinct] the results, respecting the expression of the will of the people. A citizen's vote is sacred — added President Aristide, whom you will now hear.

[Begin Aristide recording, in Creole] We must be able to talk to one another. When you talk to the other person, you are not obliged to say to him what (?would give him pleasure). You tell him what you yourself see that it is necessary for you to tell him. If you need to criticize, you criticize. And that is part of democracy.

Now, the other guy listens. He does not have a right to disdain and ignore what you say to him. But neither is he obliged to totally agree with you. They say that people who went out to vote did not get their ballots in time. That is a criticism. They say that people...[rephrases] the independent candidates should have had their emblems on the ballots. That is a criticism. And I myself, in such a case, agree with such criticisms. It is my job to listen, and to encourage the Provisional Electoral Council [CEP] to do better. You see the second round of elections coming up; to the extent that it is possible to do so, you do better even before the second round arrives. What I think is that democracy creates the climate for listening without disdain, and without exceeding the limits.

The president has limits. He does not have the right to exceed his limits and go replace the CEP. He has to respect the independence of the CEP. And, within respect for limits, and without disdain, I will continue to do my duty —as I just said to you — by maintaining tranquility, so that we will continue to talk to one another. Thus will we obtain a better result. [end recording]

[Begin Aristide recording] What has been put out [sa k' soti a] concerns, essentially, Tele-Haiti.

When I came back in October, Tele-Haiti [privately owned cable TV station] informed me of a suit that it had in court that was dragging on and on; and when we saw that it indeed dragging on a lot, we sat down together with the minister concerned and Tele-Haiti; the key matter that was to allow us to find a solution was very simple. I asked them: (?Is it) legally to return to Tele-Haiti that which, by law, they once had. [end recording]

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[Begin Aristide recording] We reproached the de facto governments for having trampled the law, and we ourselves, a democratic government, will not do as they did. We (?undid) what they themselves did by means of...[pauses] (?wrongly), or: by means of illegality.

An example: They heavy-handedly took the law and trampled it underfoot when they told Tele-Haiti: that which the government gave you under the law, we ourselves, the de facto government, no longer recognize. [end recording]

Thus, the latter part of the statement by President Aristide went into the presidential decree that appeared on 22 June 1995 and that affirms that the media — especially the TV stations — that had obtained their licenses, or permits to operate, in the period between 30 September 1991 to 15 October 1994...[rephrases] well, those permits, licenses, are henceforth revoked — all concessions, licenses, and permits granted, during that period, to provide cable television services or broadcast over the radio. [passage omitted consisting of previously filed report on content of abovementioned decree]

Such was the essence of that presidential decree, which appeared in LE MONITEUR [the official gazette] on Thursday 22 June 1995. [passage omitted consisting of previously filed material]

Aristide Announces Dialogue on Electoral Irregularities

PA2906002995 Madrid EFE in Spanish 2152 GMT 28 Jun 95

[By Herold Jean-Francois]

[FBIS Translated Text] Port-au-Prince, 28 Jun (EFE) — Today, Haitian President Jean-Bertrand Aristide announced he has initiated a dialogue with all the political sectors to discuss the irregularities that took place during the legislative and municipal elections on 25 June.

Aristide said that he met with most of the leaders of Haiti's political parties today and that he has called for a second meeting for 30 June.

President Aristide said the members of the Provisional Electoral Council [CEP] have been called to a meeting for 2 July. The CEP has been criticized because of the poor manner in which the electoral process was organized, according to political parties.

Aristide told reporters the first meeting "was a good one" and urged the people to view the municipal and legislative elections calmly.

The meeting also was attended by Prime Minister Smarck Michel and government ministers.

Aristide admitted there were technical irregularities in the elections and plans to establish a dialogue to see that the second round of elections is better organized.

Aristide said: "We make much progress on the road to overcome difficulties whenever there are talks."

The CEP has not yet provided partial electoral results but is planning to announce the official results next week.

In view of unofficial reports that political parties could have been linked to acts of violence during the elections, President Aristide warned party leaders that they must demand outstanding behavior from their militants.

According to the media, political parties could have participated in the torching of polling tables in Kenskoff.

Aristide met with several justices today to discuss reforms to the judicial system. The justices informed Aristide about the lack of resources in the Courts Administration, which results in court orders not being enforced and prison escapes.

Regarding the elections, political leaders and international observers have pointed out to the CEP several errors that kept many voters from being able to exercise their right to vote and brought about the cancellation, practically speaking, of the elections in at least three regions.

Aristide Reiterates Will Step Down 7 Feb 1996

Port-au-Prince Signal FM Radio in French 1030 GMT 28 Jun 95

[FBIS Translated Text] President Aristide has also been questioned regarding the criticisms made by the International Republican Institute regarding the way the voting went. In response to those questions, Aristide said that one finds contradictory opinions among the international observers, but that the truth is what Mr. Brian Atwood, the head of the U.S. observer delegation sent by President Clinton himself, said about the elections.

President Aristide reiterated that he will leave the government at the end of his constitutional mandate, on 7 February 1996. The seventh of February will be the moment to say bye-bye [preceding word in English] to the national palace — but not to Haiti, said Aristide.

FNCD Candidate Murdered in Grand'Anse

Port-au-Prince Signal FM Radio in French 1030 GMT 28 Jun 95

[FBIS Translated Excerpt] A candidate running for deputy under the banner of the National Front for

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Change and Democracy [FNCD] in the district of Anse-d'Hainault, Jeremie, was killed yesterday by unidentified individuals, says our correspondent in the [Department of] Grand'Anse. According to [correspondent] Jean Rio, the murdered candidate is Jean-Claude, Henock, [name as heard] a candidate for deputy for the FNCD, a coalition led by Evans Paul, who is the outgoing mayor of Port-au-Prince, and Turneb Delpe, a former senator for the Department of the West who is running for re-election. The circumstances surrounding this murder are still unknown; the UN Mission in Haiti [UNMIH], which has soldiers and policemen in that area, has not been able to determine exactly what happened. Let us listen to the report on this matter made yesterday by Jean Rio.

[Begin recording, in Creole] [Correspondent] [Words indistinct] deputy (Henock Jean-Charles) [name as heard] was killed on the morning of 27 June 1995 in Anse-d'Hainault. Candidate (Henock Jean-Charles) had run under the banner of the FNCD.

Jean-Claude Nord, a candidate for senator also running under the FNCD, said that this is a criminal act, and that he would like for a high-level FNCD delegation to come to the Grand'Anse to conduct an investigation into the matter. Here is an excerpt.

[Begin Nord recording] We ask that a high-level FNCD delegation come to Jeremie, because this death is no game. It came during the elections. He has been murdered within the framework of the elections. [end recording]

[Correspondent] Furthermore, in the (Gomil) area, an FNCD candidate named (Carine Etienne) has reportedly escaped an attack by a group of thugs. The thugs in question were armed with sticks, pointed objects, and knives. Here is a [recorded] excerpt. [passage omitted consisting of recorded statement by candidate expressing surprise and horror]

[Correspondent] Also, the election materials at certain posts in the area were reportedly ravaged: for example, in Pestel, Roseaux, Corail, and Chambellan. We are continuing to follow events and will keep you informed.

This is Jean Rio, 90.5 [Signal FM Radio frequency], Signal FM, Jeremie.

Former Colonel Dumarcais Romulus Killed in Port-au-Prince

PA2806144695 Paris AFP in Spanish 1347 GMT 28 Jun 95

[FBIS Translated Text] Port-au-Prince, 28 Jun (AFP) — Unidentified assailants killed a former colonel of the now defunct Haitian Army last night in Port-au-Prince, police sources reported today. The motives for the crime are still unknown.

The victim, former Colonel Dumarcais Romulus, 47, graduated in the same class with Raoul Cedras, Haiti's former strongman and sponsor of the 1991 coup d'etat. Cedras is currently living in exile in Panama.

Promoted to colonel in 1992, Romulus served as commander of the Training Field [Campo de Aplicacion] which trained noncommissioned officers and rural policemen of the military regime. Another former colonel, Michel Ange Hernan, an officer who had served in the Army's Disbursement Office, was killed on 24 May by unidentified gunmen in Port-au-Prince.

'Assassination' of Romulus Confirmed

Port-au-Prince Signal FM Radio in French 1030 GMT 28 Jun 95

[FBIS Translated Text] As regards the assassination of former colonel Romulus — who has been shot dead — about which we spoke a moment ago: It is Dumarsais Romulus, a former Haitian Army officer. He was shot dead yesterday evening at around 2145. He was shot three times in the head by a group of armed, unindentified persons who fled after the attack.

It is also to be noted that a person was found dead this morning on (Thomassin 50) Street. Area residents call on the National University Hospital of Haiti to do what is necessary to have the body of this man, which is lying on the pavement on (Thomassin 50) Street, be picked up and taken to the hospital.

Leogane BIV President Reported Missing

Port-au-Prince Signal FM Radio in French 1030 GMT 28 Jun 95

[FBIS Translated Excerpt] (Jean-Juste, Jonas) may not have been killed, but he is missing. He participated in the holding of the elections in the town of Leogane. He has been missing since Monday. The relatives of Mr. (Jean-Juste), who is 25 years old, are, for the time being, refraining from blaming any particular sector in this matter. However, the leaders of the Leogane Communal Electoral Office [BEC] say they intend to pick up the traces of this BEC president, who disappeared at the beginning of this week. Here is a report from our Leogane correspondent, (Lefevre, Evans).

[Begin (Evans) report, in Creole — recorded] (Jean-Jules, Jonas) [name as heard], 25 years of age, president of BIV [Registration and Voting Office] [as heard] No. 003 in the 14th communal section — Fond des Bouteilles — of Leogane has been missing since approximately 0500 yesterday, Monday 26 June 1995 —

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according to his mother, Mrs. [first name indistinct] (Jean-Jules) [passage omitted consisting of poor quality recording of statements by Mrs. (Jean-Jules)]

The president of the Leogane BEC, Mr. (Sylvain Philogene), who is very upset by this situation, says he is going to take proper measures in concert with the members of the interim police with a view to (?picking up the traces of) the missing person.

Meanwhile, (Vanel Durandis), a candidate for deputy in the first district of Leogane who ran under the banner of the National Front for Change and Democracy, RNCD [acronym as heard. Front's acronym is FNCD], in a news conference he held at the headquarters of (Juventud) in [words indistinct] of Leogane on Tuesday 27 June, denounced fraud during the 25 June elections, where only the representatives of Lavalas [bo tab la] had access to the BIVs. Nevertheless, the candidate continues to believe that he will be running in the run-off election against the Lavalas candidate next 23 July — according to the results he has obtained from representatives at the BIV offices, where it is said that he is leading [remainder of sentence indistinct]. [passage omitted including unmonitorable recorded interview of candidate]

In Leogane, this is (Lefevre, Evans), Signal FM. [end recording]

RDNP Candidate's Home Ransacked 26 Jun

Port-au-Prince Radio Metropole in French
1600 GMT 28 Jun 95

[FBIS Translated Text] According to news that we have received from the bureau of the RDNP [Assembly of Progressive National Democrats] bureau, the home of an RDNP candidate was ransacked. The home of candidate (Milot Gousse) was ransacked by unknown persons Monday night. The RDNP candidate was not home when this happened.

MDN: Elections 'Marred by Shameless Scandal'

Port-au-Prince Signal FM Radio in French
1030 GMT 28 Jun 95

[FBIS Translated Text] The Mobilization for National Development [MDN] feels that last Sunday's election was in the image of the Provisional Electoral Council — the transitional, special exceptional entity that shaped it — and of a Haiti in shambles, which suffered it. The MDN says: This election, marred by shameless scandal and preplanned irregularities [irregularites planifiees], shows the bad faith, the incompetence, and the cynicism of the decisionmaking authorities. The MDN has noted the unfolding of these elections and expresses serious reservations as regards the results of the operations. Here is Hubert de Ronceray.

[Begin de Ronceray recording] This election, marred by shameless scandal and preplanned irregularities, shows the bad faith, the incompetence, and the cynicism of the decisionmaking authorities. As late as around noon, the majority of the electoral offices had not yet enabled voters to vote — because of a delay in the arrival of electoral materiel, the unavailability of personnel, the absence of security measures, and the disarray created by the disassociation of the registration offices, the BIs, and of the polling stations, the BVs. Rejected candidates found themselves once again on the ballots, and accepted candidates did not find their ballots present. The electoral machine crushed those political parties, which were not even able to save the Election Monitoring and Supervision Unit. The electoral ethics code signed jointly by a certain number of political parties and the CEP did not function. Electoral lists were not found at the entrance to the polling stations. The MDN emblem, which is a gold-yellow flag with a red star was printed in black and white for the mayors and the Casecs [Administrative Councils for the Communal Sections], a fact that totally altered the data for an big portion of the electorate. Our candidate for deputy for the district of Port-Salut, Mr. Joseph (Lebrun-Patale) had no ballots. His appeals to the CEP went unanswered. [end recording]

Those were the statements by MDN leader de Ronceray, his position regarding last Sunday's election.

CEP Claims Parties Seeking To Void Elections

Port-au-Prince Radio Metropole in French
1600 GMT 28 Jun 95

[FBIS Translated Excerpt] A CEP [Provisional Electoral Council] communique blames several parties for acts of vandalism and arson that have taken place more or less throughout the entire country. The CEP affirms that ill—intentioned individuals are trying hard to get the outcome of the elections declared null and void by trying to destroy the electoral materials and thus deprive the Haitian people of their victory. The CEP specified that in the northwest the BEC [Communal Electoral Office] in Mole Saint-Nicolas was set afire by persons with ties to PNT [National Labor Party] and FNCD [National Front for Change and Democracy] candidates.

According to the CEP, at the Bassin Bleu BEC, individuals with ties to FNCD candidates and one independent candidate stole reports and trashed the radio communications system. The president of the BED [Departmental Electoral Office] for the Department of the Northwest has filed a complaint with the public prosecutor and

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protested to the elections security forces. In the Department of Grand'Anse, the CEP has reported that the Corail BEC was set on fire by unknown individuals the day after the elections and in Anse-d'Hainault the FNCD candidate, Henock Jean-Charles, was killed by a Conacom [National Congress of Democratic Movements] candidate — according to the CEP, which affirms (?that it is citing) a UN report. However, UN spokesman Eric Falt denies this CEP assertion. [passage omitted consisting of recorded Falt statement]

RDNP States Position on Elections

Port-au-Prince Radio Metropole in French
1600 GMT 27 Jun

[FBIS Translated Text] Protests from leaders of Haitian political groups are becoming increasingly vehement. They are denouncing the CEP's [Provisional Electoral Council] incompetence in organizing the 25 June elections. Certain people are even calling for the elections to be declared null and void.

The RDNP [Assembly of Progressive National Democrats], headed by Professor Leslie Manigat — who says he is remaining faithful to his strategy of, on the one hand, participating in the elections as a democratic party but, on the other hand, also denouncing in a fully lucid manner all the said elections' irregularities and fraud and going so far as to contest the elections as regards the way they were held, and even their results, by showing the enormity of the crooked wheelings-and-dealings to which the RDNP's [sa] participation obliges the government to resort — reiterates its most formal and express reservations regarding last Sunday's elections. This, affirms the RDNP, it finds unacceptable as much as regards the organization of the elections — which were marred by serious irregularities — as the results of the elections — results which were too greatly distorted. The RDNP confides that it is ready to join any and all attempts by the political parties concerned with a view to a common evaluation — critique — of the 25 June 1995 elections and a collective protest against what the RDNP terms an electoral farce with which the Haitian people were presented on 25 June.

If we do not organize a unitary movement of democratic rejection of Sunday's farce — involving aware, patriotic, and democratic citizens from the civil society — our saying that we refuse to swallow such an affront risks remaining idle words, writes the RDNP.

OPL Leader: Satisfied With 25 Jun Elections

Port-au-Prince Radio Metropole in French
1600 GMT 27 Jun 95

[FBIS Translated Text] One of the rare parties to have expressed a certain satisfaction following the holding of the 25 June elections is the OPL [Lavalas Political Organization]. Gerard Pierre-Charles, head of the OPL, acknowledged that unacceptable technical irregularities occurred Sunday during the first round of elections, but he said these could not constitute a challenge to the validity of the vote. Mr. Pierre-Charles stressed that his group too had suffered these irregularities, which he attributed to the Provisional Electoral Council's [CEP] inexperience and the deterioration of Haiti's institutions, from which the CEP is not exempt. According to Mr. Pierre-Charles, this vote represents a big success for the Haitian people and for the international community.

Trinidad & Tobago

Murdered Muslim Described as 'Professional Hit Man'

FL2906000795 Bridgetown CANA in English
2106 GMT 28 Jun 95

[FBIS Transcribed Text] Port of Spain, Trinidad, June 28, CANA — Trinidad police are investigating the murder of two men with ties to a Muslim group and their possible link to the assassination of former Attorney General Selwyn Richardson nine days ago.

Police also believe that the two — Jamaat al Muslimeen member Abdul Qadir and his close friend, Curtis Felix — were killed at the same time, although their bodies were found more than 20 miles apart. Qadir, described by the police as a "professional hit man," was found slumped in a car off the highway in the southern region of the country over the weekend. He had been shot in the head.

Quadir was also among Jamaat al Muslimeen detainees in the 1990 coup attempt against the former National Alliance for Reconstruction (NAR) government, of which Richardson was part. Felix, who was once associated with the Muslimeen group, was found in some bushes at a deserted beach in North Trinidad on Tuesday. He had a large wound on the right side of his chest.

Assistant commissioner of Crime, Hilton Guy, who is "managing" the investigations into the Richardson murder, said police were looking for any possible links between the latest deaths and that of the former attorney general.

"We are still pursuing investigations along those lines to establish and to satisfy ourselves that there is a

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link or there isn't a link, insofar as the deaths of these individuals are concerned," he told CANA on Wednesday. "That process is still being probed and we have not arrived at a definite conclusion." However, Muslimeen leader Yasin Abu Bakr was quoted by a daily paper here on Wednesday as saying that members of his group were not involved in the Richardson murder.

Guy also denied that the Muslimeen group was the focus of the investigation.

"...I suspect we would have interviewed people who have affiliations with the Jamaat al Muslimeen but we haven't targeted the Jamaat, or we're acting with any vendetta towards the Jamaat," he told CANA. Guy reported that the investigating team was "making encouraging developments in the investigations and we are getting closer to the possible culprits of this act."

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Zedillo Accepts Resignation of Government Secretary

PA2906032195 Mexico City NOTIMEX in Spanish 0301 GMT 29 Jun 95

[FBIS Translated Text] Mexico City, 28 Jun (NOTIMEX) — Today, President Ernesto Zedillo Ponce de Leon accepted the resignation of Government Secretary Esteban Moctezuma Barragan, who will become an adviser to promote federalism in the country effective today.

A communique from the Presidency supplied by spokesman Carlos Salomon Camara stated that Emilio Chuayffet Chemor, governor of Mexico State until today, will replace Moctezuma in his post.

Secretariat of Comptroller General Summons M. Ruiz Massieu

PA2806231095 Mexico City XEW Television Network in Spanish 0430 GMT 28 Jun 95

[From the "24 Hours" newscast]

[FBIS Translated Text] The Secretariat of the Comptroller General disclosed today it has summoned former Assistant Attorney General Mario Ruiz Massieu to an administrative procedure for property verification; that is, the authorities are going to take a look at the properties he owns.

Because it is administrative in nature, this procedure is separate from the extradition request filed against Ruiz Massieu in Newark, New Jersey. The U.S. Justice Department has commissioned a prosecutor to present the summons to Ruiz Massieu.

According to the Secretariat of the Comptroller General, it has in its custody the documents indicating the difference between the economic assets the former public servant has claimed to have had in his property statements and the properties and bank accounts that are in his name in Mexico as well as the United States. Ruiz Massieu has until 7 July to file evidence. Should the legitimacy of Ruiz Massieu's properties and assets not be proven, a declaration of illicit enrichment will be issued.

El Barzon Movement Members Vacate Secretariat Offices

PA2906011595 Mexico City XEW Television Network in Spanish 0430 GMT 28 Jun 95

[From the "24 Hours" newscast]

[FBIS Translated Text] Members of El Barzon Movement vacated the offices of the Government Secretariat at 1530 today after 25 hours of an indefinite sit-down strike at Bucareli. El Barzon and Government Secretariat representatives agreed that Deputy Government Secretary Arturo Nunez and El Barzon Movement representatives will meet on 5 July to analyze the group's demands.

PGR Issues Bulletin on Raul Salinas de Gortari

PA2906031895 Mexico City XEW Television Network in Spanish 0430 GMT 28 Jun 95

[From the "24 Hours" newscast]

[FBIS Translated Text] Tonight, I received a three-page bulletin from the Office of the Attorney General of the Republic [PGR] on Raul Salinas de Gortari. This is the text:

On 22 June, a hearing to present evidence was held at the 9th Criminal Judgeship of the Federal District regarding the assassination of Jose Francisco Ruiz Massieu. Josefina Mayorga and Domitila Bringas Bravo, personal secretaries to the now deceased PRI [Institutional Revolutionary Party] secretary general, testified at the hearing.

Before the judge, Mayorga said that a few days after Ruiz Massieu's assassination and in a meeting with his parents in attendance, his father, Armando Ruiz Quintanilla, expressed his certainty that his son's death was the result of a feud between Jose Francisco and Raul Salinas de Gortari. Bringas, in turn, said the personal relations between her employer and Raul Salinas were poor to the extent that Jose Francisco tried to avoid Raul. Also, the two secretaries recognized a letter dated 19 June 1987 and addressed to the government secretary handwritten by Jose Francisco telling of a meeting with the Salinas de Gortari family, a meeting that turned out to be very unpleasant.

In addition, Noe Hernandez Nery, who was in charge of security at Raul Salinas' home on the day of the assassination, testified before the 4th District judge of Naucalpan on 23 June 1985; that is, four days ago. Hernandez said flatly before the judge that there was indeed communication between Raul Salinas and Deputy Manuel Munoz Rocha on 28 September 1994. He also said that around midnight on 28 September, he answered two telephone calls at the Salinas home, which is located at 1765 Paseo de la Reforma on Lomas de Chapultepec. In the first instance, the caller identified himself as Deputy Munoz Rocha. According to Hernandez, Munoz Rocha asked him to connect Munoz Rocha with Salinas urgently, telling him the reason for the urgency. Hernandez reported to his employer that Deputy Munoz Rocha was on the line. Salinas asked what Munoz Rocha wanted. Hernandez

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then reported to Salinas that, according to Munoz Rocha, he, Munoz Rocha, was being shadowed. Salinas asked Hernandez to tell Munoz Rocha: Come tomorrow, as we agreed. Hernandez complied.

Hernandez later answered a second call, from a man, who said he was speaking for Deputy Munoz Rocha. The person sounded quite distressed and asked Hernandez to get him in touch with Salinas so he could tell him Munoz Rocha was already being watched. Hernandez told the man that Salinas was asleep but that he would relay the message. With the judge present, Hernandez added that the next day, 29 September 1994, he was instructed by Salinas through his secretary, Ofelia Calvo, not to answer any more telephone calls.

According to the PGR bulletin, Hernandez' testimony overwhelmingly confirms various aspects of the accusation against Raul Salinas. The testimony expresses events and circumstances that Salinas has denied again and again so as to try to shun the charge of assassinating Jose Francisco. Hernandez' testimony reinforces what Fernando Rodriguez Gonzalez said during interrogation. The latter said that on Munoz Rocha's instructions, he, Gonzalez, telephoned Salinas at home the night of 28 September 1994.

Finally, in the same testimony, Hernandez recognized the existence of a red Mercury owned by his employer, Salinas. Rodriguez Gonzalez said this was Salinas' car, in which Munoz Rocha also rode, when Salinas said it was necessary to eliminate Mexican politicians who stood in the way of the Salinas project. This occurred in March 1993.

Serfin Company Forecasts Macroeconomic Growth in 1996

PA2806164895 Mexico City NOTIMEX in Spanish 0205 GMT 28 Jun 95

[FBIS Translated Text] Mexico City, 27 Jun (NOTIMEX) — The financial group Serfin considered today that in 1996 macroeconomic growth is expected in Mexico although recession worsened in the second quarter of this year.

Serafin estimated that the recovery expectations in macroeconomic variables such as the inflation, exchange rate, interest rates, commercial balance, and public finances are supported by the process of privatization of several assets linked to infrastructure.

The sale of ports, airports, telecommunications, railroads, and some petrochemichal plants will attract local and foreign capitals, the Mexican financial institution added in a study released this Tuesday.

It explains that during the second quarter of this year, the levels of economic activity showed a profound recession following the tax increases, the strong pressure companies and consumers have been feeling, and the higher unemployment and drop in domestic demand.

The financial institution justifies its outlook on the fact that the unemployment rate among the economically active population went from the 5.2 percent registered in the fist three months of the year to 6.3 percent in April.

In its report, Serfin notes that domestic economic activity will register a slight recovery in the Gross Domestic Product (GDP) in the second and third quarter of this year.

On the matter of sales to stores located in the country's major metropolitan areas, it stated that retail sales dropped 32.7 percent, and wholesales dropped 25.7 percent in the first quarter.

The total imports last April shrank 18.2 percent, and those imports that do not include maquilas [assembly plants] dropped 34.7 percent, that is, an unfavorable result when compared to import figures during the same period last year.

However, Serfin stated that the current conditions will foster better macroeconomic climates, such as stability in the financial and exchange market, sound public finances, and controlled inflation, to achieve a recovery starting next year.

General Support for EZLN Views Found

95P20875A

[FBIS Editorial Report] The 18 June 'Enfoque' weekly supplement of the Mexico City daily REFORMA reports a 12-13 June door-to-door poll of 500 Mexico City residents on the key elements of the social-political reform program proposed by Zapatist National Liberation Army (EZLN) Deputy Commander (subcomandante) Marcos on 7 June. The polling, carried out by REFORMA's Research Department, was inspired, according to the supplement, by Marcos' call for "a national and international consultation" on the EZLN's "principal demands" and EZLN-related issues.

According to 'Enfoque,' 82 percent of those polled approved of the EZLN list of what it characterized as the Mexican people's 13 principal demands: land, housing, work, food, health, education, culture, information, independence, democracy, freedom, justice, and peace. Highest on the list for 30 percent of the respondents was "work," followed by "democracy" and "health," each the first choice for 11 percent. In a separate question,

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fundamental political reform was judged necessary by 92 percent of those responding.

While 45 percent of respondents felt that the EZLN should become an independent political force, an equal percentage objected to that course, and while 29 percent said that the guerrilla group should join forces with existing political groups to form another political organization, 61 percent opposed this.

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El Salvador

President Calderon Sol Holds News Conference

PA2906043095 San Salvador Radio Nacional de El Salvador Network in Spanish 1800 GMT 28 Jun 95

[News conference by Salvadoran President Armando Calderon Sol with unidentified reporters and an unidentified moderator at the San Salvador Comalapa International Airport; broadcast in progress — live relay]

[FBIS Translated Text] [Calderon Sol] ...right now I am acting secretary for presidential summits. I believe two issues are most important for the country. The foremost issue is commerce. We have to speak about the need to have parity with NAFTA, about the Central American region's need to have this special parity system. Mexico already constitutes part of that commerce. As we have said and as it was said at the Summit of the Americas, we would like to have free trade by the year 2005, but we need to have this parity system for the time being, and we demand free trade with the United States.

We will talk about another vital issue for the Salvadoran people—the permanence of fellow Salvadorans in the United States. We all know that as a result of the painful events of the past, there was a huge emigration to the United States, a large emigration, and we have to discuss this permanence of Salvadorans in the United States as well as guarantees, because we do not want a mass repatriation. We need assurances for our people in the United States. We also want to discuss this difficult and most important issue for many Salvadoran families. I believe this issue requires a huge diplomatic effort in the United States.

These are the two essential issues in our discussions—commerce and the permanence of Salvadorans in the United States.

[Moderator] We have approximately 10 minutes for questions.

[Calderon Sol] I am at your disposal if you have questions.

[Reporter] Who will be the new foreign minister?

[Calderon Sol] We have not made an appointment yet. We will be making an announcement in the next few days. Meanwhile, the deputy minister will be heading the ministry. We will be making the appointment as soon as possible.

[Moderator] Eleonora.

[Reporter] Regarding the relationship there could be between the weapons that have been found and retired Armed Forces personnel, the Farabundo Marti National Liberation Front [FMLN] has accused your government and Public Security authorities of lacking the political will to check organized crime.

[Calderon Sol] This matter of weapons and investigations is being handled by the police and other legal authorities. I believe institutionality is functioning in the country. If the FMLN or somebody else feels affected and wants to make this type of commentary, they are free to do so. This is a democratic regime with absolute liberty. The result of the investigations will have the final word on this matter. I believe the public security minister can provide more details on this issue. The matter is being investigated, and we expect that the ongoing investigations will produce results and that we will find the individuals involved. We have said the government has the will to put before a court whoever is involved.

[Reporter] In recent hours, a group called Young Officers of the Armed Forces [Jovenes Oficiales de la Fuerza Armada] accused the defense minister of being involved in acts of corruption, organized crime, and plotting against your own life. A document from that group states that the president has 15 days to investigate General Humberto Corado, dismiss him, and confiscate his property; otherwise the group will seize control of the country and reestablish constitutional order, the group warns. Any comment on this matter?

[Calderon Sol] I have never given importance to anonymous notes. I believe giving importance to this kind of note is disgraceful. I regret the media are giving importance to anonymous notes and reporting on them.

I have asked the responsible and professional media of the country to abstain from reporting on this type of communique. I am asking you, as a journalism professional, to abstain from this type of commentary and question, because you would be playing the game of criminals if you do not. I will abstain from commenting on this issue.

[Reporter] Is your government stable?

[Calderon Sol] I believe Salvadoran democracy is being increasingly consolidated, and facts speak for themselves.

[Moderator] One last question.

[Reporter] How many Salvadoras do you think live in the United States?

[Calderon Sol] It has been said 800,000 Salvadorans. There is no exact figure; this is an approximate figure. Some believe there are more, but we believe this figure is more or less. I believe this meeting with U.S. President Clinton is very important, vital, for the

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stability and permanence of our brothers in the United States. We have to demonstrate they have stability. The current situation is undoubtedly one of uncertainty for relatives.

[Reporter] What will be the purpose of the defense ministers meeting in Guatemala tomorrow?

[Calderon Sol] They will be going there upon an invitation from the Central American Parliament. The defense ministers have been invited by the Central American Parliament to make various reports. That Parliament made this invitation as a democratic and political institution. We have gladly agreed to have the defense ministers participate in that political forum.

[Reporter] We are receiving many donations. The country has more than $300 million already, and the country is going to be stable with the increase of [two-second break in reception]. Are we prepared for a dollarization of the economy? Is the government planning to implement the dollarization?

[Calderon Sol] We have explained this issue several times. Some economists insist on this matter and want it to be discussed again. We have said it will not happen. We have said there has been a debate on dollarization. There have been many debates on the economic program, more than during any other Salvadoran Government. This government has listened to the opinion of valid economic sectors. We have listened to reason and have clearly stated there will be no dollarization. The people who insist on this are not on top of events and aware of government reports.

Honduras

Rights Commissioner To Request Release of CIA Documents

PA2806201095 Mexico City NOTIMEX in Spanish 1825 GMT 28 Jun 95

[FBIS Translated Text] Tegucigalpa, 28 Jun (NOTIMEX) — National Human Rights Commissioner Leo Valladares today said here that he will ask the U.S. Embassy to declassify documents on the disappearance of 184 Honduran civil leaders in the 1980's. The request will be made in July at the U.S. diplomatic mission in Honduras, according to Valladares, who is trying to determine the identity of those responsible for the leaders' disappearances and to punish the guilty parties.

"I made this decision because the military authorities here say they have no files, because the files were burned. Fortunately, the United States does not maintain a policy of burning files," the human rights activist told NOTIMEX.

"The U.S. Government has an established position on declassifying information regarding the lamentable cases that occurred in Honduras in the 1980's," Valladares assured.

Honduran human rights organizations have accused military men of carrying out kidnappings, murders, and disappearances over the past decade. [Words indistinct] have denied any ties to such disappearances. At that time, Battalion 3-16 of the Honduras Armed Forces was tasked with making people disappear, according to charges leveled by former members of the battalion exiled in Mexico and Canada.

General Luis Alonso Discua Elvir, chief of the Honduran Armed Forces, recently said the armed institution has no files from the 1980's, because officers destroyed them every five years.

"There is a record of repeated requests for information from the military about repression, but the military claims to have no written records on disappearances," the human rights commissioner said.

Humanitarian organizations have named military leaders, such as Gen. Luis Alonso Discua Elvir; Colonel Alexander Hernandez, who is inspector general of the Public Security Force (Fusep); Colonel Juan Blas Salazar; and others, as being responsible for the disappearances. The documents that will be requested in July will include CIA activities during that period in Honduras, the activist added.

Panama

Papa Egoro Movement President Asks For Party Resignations

PA2906011495 Panama City EL PANAMA AMERICA in Spanish 28 Jun 95 p A-1

[FBIS Translated Text] Ruben Blades, president of the Papa Egoro Movement (MPE) who is on leave, has asked for the resignation of all the top leaders in order to reorganize and restructure the party, which is planning to hold a national convention next November. One of the members of the MPE National Executive Directorate (DNE) to heed Blades's request was Secretary General Raul Leis.

Raul Leis has warned Blades that in view of the upcoming convention "it is important to counter any anomaly in the registration of members, such as the purchasing and manipulation of registrations."

Leis also recommends strengthening the "internal democracy" to move away from "the specter of ignorance, authoritarianism, manipulation, and opportunism of any kind." The former MPE secretary general is also

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proposing the convention be "open" to all the party members and news media. He is also asking that the financial report be made public.

The MPE leadership is comprised by: Jorge Arango, Carlos Valles, Damaris Guardia, Alan Perelis, Aida Batista, and Nestor Martinez. According to Dr. Jorge Gamboa, the request for resignations indicates the "crisis" that may lead to the MPE's "collapse," and he has warned at least two DNE members were elected by a convention.

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Argentina

Menem Denies Offensive Remarks Against Chile

PY2806202995 Buenos Aires TELAM in Spanish 2235 GMT 27 Jun 95

[FBIS Translated Text] Buenos Aires, 27 Jun (TELAM) — President Carlos Menem today denied that Argentina made offensive remarks in a note issued in response to a Chilean appeal over the Laguna del Desierto conflict.

The Argentine president said: "There were no offensive remarks against the Republic of Chile, nor were there any type of amends by Chile with regard to this situation."

Chatting with foreign correspondents, Menem added: "Things (between Argentina and Chile) are well. They are being managed within the appropriate context, within timely achieved agreements."

Menem noted: "Chile appealed a ruling issued by the Court of Appeal. Our country replied, Chile issued a rejoinder, and now Argentina has issued another rejoinder."

Menem said: "Fair terms are being used and this is important. Inappropriate expressions, transgressing diplomatic language, are not being used."

Menem asked: "Where does all this come from? At least I am not aware of any offensive remarks in this litigation to settle one of the few remaining problems in the border issue with Chile."

Menem noted: "Only the Continental Glaciers issue, which is under discussion in the Chilean Congress, is pending (for settlement); the rest is being solved through normal channels."

Di Tella Denies Crisis in Mercosur, Admits Problems

PY2806214395 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2305 GMT 27 Jun 95

[FBIS Translated Text] Buenos Aires, 27 Jun (NA) — Foreign Minister Guido Di Tella has denied the Mercosur [Common Market of the South] is in a state of crisis. He admitted, however, that the current discrepancies between Brazil and Argentina over car imports "do not encourage foreign investments in the region."

During a briefing with almost all the senators this afternoon, the minister said: "Mercosur is greater than the car industry and there are areas, such as energy and telecommunications, where progress has been very important."

The meeting at the Senate's Pink Hall was confidential and lasted two and a half hours. Di Tella also briefed the senators about the negotiation between Argentina and Great Britain to establish joint oil exploitation zones around the Malvinas Islands.

Di Tella said the government "will not go ahead" with any agreement that might cast doubts on Argentina's sovereignty claims, adding that the possibilities on an agreement with London were "doubtful." He said: "I would say there is a 50-50 chance of success."

Di Tella added: "Our position is uncompromising on the decision not to accept anything that might affect our sovereignty claim, and the British know and accept this."

The foreign minister said that over the next two or three months the two countries should find a legal formula to allow a lasting economic agreement that respects Argentina's claims.

Speaking about this deadline, Di Tella indirectly recognized that the Kelpers might implement their delayed decision to unilaterally organize a bid to start exploring for oil in the area in October.

With respect to the open negotiation on car imports between Argentina and Brazil, Di Tella said: "So far the talks have been fruitful but there is still a long way to go before an agreement."

The minister said if the negotiators cannot reach an agreement in the agreed period of 30 days "we will try again."

Di Tella said the Brazilian decision to impose quotas on car imports, which includes Argentine cars, "was a consequence of the upward valuation of the real, which tilted the balance of trade and alarmed Brazilian authorities."

The minister admitted that Brazil may want to impose quotas on other products, although he nade it clear that "so far we have not seen any indication in that direction."

Camilion on UN Interest in Argentine Peace Missions

PY2806205895 Buenos Aires TELAM in Spanish 2055 GMT 27 Jun 95

[FBIS Translated Text] Buenos Aires, 27 Jun (TELAM) — Defense Minister Oscar Camilion said today that the United Nations is still very interested in Argentina's continuous and active participation in its peace missions.

The defense minister said: "I have recently returned from Croatia and I can tell you that the United Nations

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is very interested in our continuous and active participation in its peace missions."

Camilion spoke to journalists at Campo de Mayo after the inauguration of the Argentine Joint Training Center for Peace Operations [Centro Argentino de Entrenamiento Conjunto para Operaciones de Paz] (Caecopaz). The Caecopaz began its activities today through a training course for peace mission troops.

The defense minister pointed out that the morale of the Argentine troops in Croatia "is high" and that the Argentine battalion "will remain" in that country. Nevertheless, he noted: "We, and the United Nations, must establish the positioning of this battalion as there may be a redeployment."

Camilion said: "It is necessary to monitor current developments, which are not encouraging as the situation (in former Yugoslavia) is not good and there may be violent military developments."

The defense minister emphasized: "We believe the area where the Argentines are deployed will require a relatively long UN presence because we are currently helping a substantial number of the Serbian population."

The defense minister admitted the possibility of reducing the number of Argentine troops in Croatia, at the request of the United Nations. He added that this cut "has not yet been determined."

The defense minister noted that the Argentine troops "are carrying out post-war tasks, like guarding convoys of Serbs who want to leave the region and be resettled in their own country."

The defense minister said: "A couple of days ago the Serb military authority expressed gratitude to Argentine troops because, at this trying and painful times for Serbs, the support they have received from Argentine troops is very important."

Camilion emphasized the importance of the Caecopaz center which, in his opinion, represents "a very important step in the enhancement of Argentine actions on the international arena."

The defense minister indicated that this step will serve "to streamline Argentine activities in the peace missions" because these activities "would probably not decrease; this type of operation will increase, and not decrease, in today's world."

The defense minister emphasized: "We believe it is important and that everyone is interested in Latin America taking a similar stand on world affairs and the participation of peace forces." He noted that the activities of the Caecopaz center "are directed toward our region."

Corach Notes Concern About Provinces' 'Crisis'

PY2906033495 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2019 GMT 28 Jun 95

[FBIS Translated Text] Buenos Aires, 28 Jun (NA) — Interior Minister Carlos Corach today admitted that the Argentine Government "is worried" about the financial and economic crisis some provinces are experiencing, but noted that the government nonetheless rules out social outbursts.

"There is no social outburst, but rather determined conflicts, most of which are related to the provincial public sector. We are alert and we are trying to cooperate with the districts to maintain order," said Corach.

In statements to a Buenos Aires radio station, the interior minister also said that the stability "shows the shortcomings of the public and private administrations," and he added that "the lack of feasibility with regard to some projects has become evident."

"The issue is not that the economic plan has created problems for the provincial administrations, but rather that it has generated in the country a stability that had been sought unsuccessfully for decades," he said.

Corach added that some provinces' difficulties in paying their public employees' salaries "is not a new problem in Argentina," and he said that the provinces "cannot depend on central government subsidies" to solve their problems.

"The fact that there are some complex situations is not a fault of the economic plan," he said.

Speaking on another subject, the interior minister denied that he is at odds with Economy Minister Domingo Cavallo. He said that "we are working on a common agreement about what must be done in the provinces."

He said that "it is absolutely false" that the economy minister opposes an extension of the Federal Fiscal Pact and that the "negotiations about the subject have already been discussed with the minister."

Bishops Attack Cavallo, Social Cost of Economic Plan

95SM0382Z Buenos Aires LA PRENSA in Spanish 11 Jun 95 p 2

[FBIS Translated Text] *With appeals to the sensitivity of those in government and a veiled criticism of Minister Domingo Cavallo—saying that he is a "technician" who does not take the "social cost" into account, the Pastoral Social Conference of the Church met in Mar del Plata. The issue arousing the greatest concerns and protests*

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was the government's lack of response to unemployment. A call was issued for the integral participation of women.

With unusually harsh language, the Catholic Church—through one of its most influential prelates—made a very strong criticism of Domingo Cavallo for the social effects of his economic plan. Cardinal Raul Primatesta called the minister of the economy a *technician*, and said that Argentina needs *something more* than that to conduct its economic policy. In statements to the DyN agency, the high-ranking prelate criticized the government's policy, referring to Cavallo as just a "technician, who does not take into account the social cost of the economic policy he is implementing." Primatesta is one of the bishops with the best access to political power. His word is often listened to, and while he has never actually engaged in confrontation, he has maintained a greater distance from the Menem government than some of his colleagues have.

Supporting Primatesta's ideas, the bishop of Mar del Plata, Jose Arancedo, referred directly to Cavallo in a similar way: "A technician is not capable of evaluating the social cost of the lack of jobs. He does not think about the families without jobs who are being destroyed. In a few years we are going to have to deal with what he is causing," he said.

The Church leaders have been meeting in Mar del Plata since Thursday [8 June] for their traditional Pastoral Social Conference. The theme of this meeting was *Women and their Integral Participation in Society*. The issue of greatest concern to those attending was the lack of jobs.

Calling Attention

In closing the conference, the bishop of Mar del Plata emphasized: "The lack of jobs is a social and economic disease. It is like a fever, which says to me: something here is not right." Arancedo pointed out that in Argentina "what we need is the view of a statesman who knows what can be postponed and what can not be postponed." These words were intended as a direct message for the attention of President Carlos Menem. "We need," he continued, "people with a statesman's ability, capable of balancing burdens equitably. We need solidarity, and a market society is not a society with solidarity, but a competitive society."

Cardinal Primatesta noted: "We are made aware of the lack of jobs because people come to the bishop's office asking for job recommendations. Not one person a week, but ten every day. They need jobs. People are trying to support themselves and get ahead," he said. The bishop then raised his voice to say: "The political effort to find projects, real and concrete initiatives that will make it possible to multiply jobs can not be put off until tomorrow."

The cardinal spoke of the number of people who are working in the underground economy, and he understood the behavior of employers who operate that way "because the laws for small and medium-sized businesses are the same as for large businesses, and that can not be," he said. "The legal structures governing working conditions need to be revised. Right now small employers can not cope with this because the legal structure for them is the same as for large employers."

The cardinal also appealed for "patience and time, but the need for jobs does exist, along with the good will of people who want to work."

The auxiliary bishop of Cordoba, Roberto Rodriguez, in proposing the implementation of a *crisis culture*, explained: "When a ship is about to sink, everyone must set to work, from the captain down to the lowliest sailor, as well as all the passengers."

Church's Social Plan Discussed

95SM0399B Buenos Aires CLARIN in Spanish 19 Jun 95 p 6

[Article by Sergio Rubin]

[FBIS Translated Text] *All the Church's social welfare organizations are taking part in an anti-poverty plan. Along with the plan, businesses are being asked to avoid layoffs.*

In recent days the Church has begun to implement a new type of social welfare plan for the most needy through its assistance organizations, in response to the worsening of "poverty and its effects" and rising unemployment. In the program, the bishops not only recommend specific actions, but they urge the promotion of attitudes among "job providers to give and preserve jobs" and among people active in "private and government life" to practice austerity.

The plan, prepared by the staff of the Church's Pastoral Social Office, was presented at the last bishops' plenary session held in April in San Miguel, after the bishops described a critical social situation at the end of last year.

While the program was announced at the end of the bishops' meeting two months ago under the title of **Charity Network**, its scope, contained in eight pages (which CLARIN has examined), had been kept confidential.

The plan, which has begun to be implemented in some dioceses of Buenos Aires and will continue in the

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capital and in parts of the interior, was presented to the delegates attending the Pastoral Social Conference in Mar del Plata last weekend.

The program's dissemination culminated a week marked by harsh statements by a number of bishops on the social situation, including remarks by the Archbishop of Cordoba, Cardinal Raul Primatesta, who called for humanizing the economic plan.

"We believe that giving and keeping jobs, not ordering unnecessary layoffs, both in the present circumstances and always, are true demonstrations of love of neighbor and of social peace," say the bishops. They assert that "austerity is essential for everyone, and avoiding wasteful and superfluous spending which, if it were saved, could be used for much socially useful work, while also avoiding irritations."

The Guidelines

The heart of the plan is the following:

- The Church's major social structures—including Caritas and the bishop's assistance staff for the most destitute regions—should "reach out and offer their services and assistance to all areas and sectors where needs are observed."

%Community food programs will be improved and attempts will be made to increase collections for social assistance.

%Each of these organizations "can or must work with government organizations or other institutions" to promote mini-job programs.

%The Church believes that at this time the critical areas are homeless children and elderly people, and its greatest efforts will be directed to these groups.

%The document says that "in most areas a wide variety of corruption is becoming apparent."

%The bishops also say that the poor themselves "must shape their own development" and they ask that, along with this assistance, the poor contribute "each person's determination to escape poverty and leave it behind."

The social plan which the bishops pastoral social staff has begun to develop is unprecedented in the Church. Before, each Catholic institution providing assistance to the poor worked separately. The gravity of the social crisis has forced them to coordinate their efforts to improve the aid, ecclesiastical sources stated.

"We want to create a crisis culture so that, to face problems, leaders will meet, consider them in the light of the Church's social doctrine, and develop social projects, working jointly with different sectors," say the plan's authors.

The pastoral social staff, which earlier played a vital role on the eve of Argentina's return to democracy, when it was chaired by Bishop Justo Laguna, is now returning to the stage under the leadership of the archbishop of San Juan, Italo Di Stefano.

Committee members include the archbishop of Cordoba, Cardinal Raul Primatesta; the bishops of Mercedes, Emilio Ognenovich, and of Formosa, Dante Sandrelli; the vicar general of Buenos Aires, Jorge Bergoglio; and the auxiliary bishop of Cordoba, Jorge Rodriguez.

For the first time this group has a layman as its secretary: Guillermo Garcia Callendo.

Situation in Santa Fe Province Viewed

95SM0394B Buenos Aires (INTERNET) ARGENTINA GOPHER in Spanish 21 Jun 95

[Article by Carlos Abalo of EL CRONISTA COMERCIAL: "A New X-Ray of Social Tension"]

[FBIS Translated Text] Various accounts report heightened social tension in Santa Fe province. The central problem is that the province was a development pole for the replacement industry, especially in the departments of Rosario, San Lorenzo, and Constitucion in the southeast. Though in the immediate past the highest unemployment rate was in Gobernador Galvez, the most strife-torn areas are the edges of Rosario and the main towns of these two departments, San Lorenzo and Villa Constitucion. Poverty in the north is more extreme, but in the southeast the population is highly dependent on unconverted activities, and has great difficulty or finds it completely impossible to cope. The consequence is a trickle of business closures, which shuts off opportunities for jobless people.

The situation has worsened in recent weeks, though the recession has been stronger since April. The explanations are a cutback in orders, a drying up of capital, and a critical need for credit, which is essential for attempting any type of adjustments or to stay in the market. In the last 20 days automobile body industries have closed, leaving 700 workers jobless. Gradually rising unemployment is widespread in Santa Fe, where it has been most associated with reconversion; the situation improved a little in 1993 and 1994, but it has worsened so far this year. When the official unemployment statistics, which are above the national average, become known, it will be seen that this phenomenon is striking the Rosario area especially hard.

In the Santa Fe and Santo Tôme conglomerate, unemployment is also very high, but this is a different social

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environment. In Santa Fe many of the problems concern government jobs; and in the old industrial pole of the provincial southeast, the population has an industrial tradition and training, but they lack opportunities and their expectations and reaction power are much greater. Until 1993 and 1994 insecure, short-term jobs could be found, but now there is no labor demand. Women who in earlier years of rising unemployment worked in domestic service now can not find anything because of spending cutbacks among the middle class, and possibilities have become extremely limited. The closing of the automobile body industry primarily hurts Rosario's outlying neighborhoods, where particular unrest has been generated and is now concentrated. In Villa Constitucion and San Lorenzo self-employment had been rising until now, but that possibility is also reaching its limit. Sante Fe is a province where industrial activity had generated 26 percent of the gross geographic product, but more labor-intensive industries have been converted, leaving workers jobless, or industries have disappeared or shrunk. The hardest hit are machines and tools in the metallurgical industry, which once was 37 percent of the manufacturing industry. The industry in the best position is foods, with nearly 30 percent of the total. The provincial product, which in the past was close to 10 percent of the national product, has dwindled to 8 percent, but the population has also grown with less dynamism and has tended to grow at the two ends (more children and elderly). Reconversion has until now been considered detrimental to labor, or as a step toward service activities (commerce, with an increase in Mercosur traffic, and port recovery), and it only appears promising in new and smaller industrial poles like Rafaela, where there has been a successful reconversion in metallurgical subspecialties like auto parts, dairy production, and supplies for that activity and for agriculture.

Correction to Brazilian Devaluation Effects Viewed

PY2606173295

The following correction pertains to the item headlined "Effects of Brazilian Devaluation Viewed," which appears in the 26 June Latin America DAILY REPORT, page 38:

Column two, paragraph 15, only sentence please make read: ...the Argentine negotiators propose to their... (deleting "do not")

Bolivia

La Paz Signs Extradition Treaty With U.S.

PY2806185595 La Paz Radio Cadena Nacional Network in Spanish 1100 GMT 27 Jun 95

[FBIS Translated Excerpt] Here is an ERBOL [Bolivian Broadcasting Education System] news agency report on the extradition treaty: Retroactivity will be applied to pending cases. A total of 20 U.S. requests are still pending. Felipe Roca Ali and Rolando Suarez Landivar will be the first to be extradited. The president is not authorized to issue pardons. This clause is truly serious; the Bolivian president is disqualified to issue pardons.

We would like to remind our listeners that, about two months ago, Chilean President Eduardo Frei used a constitutional prerogative to pardon a Chilean drug trafficker; but in Bolivia the president has been disqualified from enforcing a law established in the Constitution.

The ERBOL news agency adds that Foreign Minister Antonio Aranibar and U.S. Ambassador Curtis Kamman signed the new extradition treaty yesterday at 1700. This new treaty includes a retroactive clause for pending legal cases. Article 17 of the extradition treaty details the regulations to be enforced as of the date of its promulgation on pending extradition requests on which the Supreme Court has not yet issued a definitive ruling; on those extradition requests received after the enforcement of the treaty for crimes committed prior to the enforcement of this treaty, whenever the crimes perpetrated are typified in the legislation of the two countries.

Ambassador Kamman confirmed that in view of Article No. 17 and Chapter 3, at least 20 Bolivian citizens will be subject to the new extradition regulations. Our president has lost all powers to grant pardons and will fully comply with the final rulings of the Supreme Court.

The treaty establishes that the two countries are obliged to extradite citizens in compliance with established penal jurisdiction and previously enforced international treaties.

Who will be the first to be affected by this treaty? The first Bolivians to be affected by this treaty are Felipe Roca Ali, a relative of Techo de Paja [Jorge Roca Suarez] who is under arrest in the United States; and Rolando Suarez Landivar. Both are charged with involvement in trafficking activities. The Supreme Court will soon rule on the cases of Roca Ali and Suarez Landivar. It is believed the Supreme Court, located in Sucre, will rule on these cases sometime in August after the Bolivian Congress and U.S. Senate ratify this bilateral extradition treaty.

The draft treaty submitted by the U.S. Embassy, which former President Jaime Paz Zamora had promised to approve and sign, originally encompassed the legalization of abductions but this possibility is not included in the new extradition treaty.

Yankees can be extradited too. Foreign Ministry sources have stated that there are pending extradition requests

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affecting two U.S. citizens. Although their names have not been disclosed, they have been charged with fraud, and breach of trust and immoral behavior, respectively.

Following the signing of this new treaty, some ERBOL listeners were wondering yesterday if the U.S. policeman who killed a Bolivian citizen for racial reasons will be extradited too. This question, however, remains unanswered.

Now we have an ERBOL news agency report on this issue by reporter Jorge Jimenez from La Paz:

[Begin recording] [Jimenez] Just three days before the expiration of the U.S. Government ultimatum [on the eradication of coca] the United States was able to renew the extradition treaty which conditions the acceptance of the controversial retroactive clause.

The enforcement of this treaty will have a retroactive effect on those cases on which the Supreme Court has not issued a definitive ruling. The treaty also details a list of crimes that are subject to mandatory extradition, such as narcotrafficking activities under Law No. 1008; as well as crimes dealing with terrorism, kidnappings and other actions described as serious in both U.S. and Bolivian legislation.

These requirements have virtually handcuffed the Bolivian president since the judicial branch approved the extradition request.

Bolivian Foreign Minister Antonio Aranibar admitted that negotiating the new treaty was very difficult, particularly because of the U.S. ultimatum issued to the Bolivian Government.

[Aranibar] To fulfill this objective, U.S. and Bolivian negotiating team experts met on three occasions: the first time in Washington from 10 to 13 April; the second in La Paz from 22 to 24 May; the third in Washington from 15 to 16 June.

The negotiations headed by Bolivian Justice Minister Rene Blattmann were conducted in close cooperation with the committee members, the president, and this foreign minister.

The result was the final draft of the treaty we have just signed. This final version differs from preceding versions because it is the result of a true negotiation based on the principle that all states are equal, and the dignity and sovereignty of the parties involved.

[Jimenez] U.S. Ambassador Curtis Kamman signed this treaty on behalf of the his government. Kamman, who was obviously pleased with the treaty, said that through this treaty the U.S. Government will send to prison several drug kingpins. Giving a note of approval to the Sanchez de Lozada administration, Kamman warned that the expeditious and timely handling of this treaty will result in the strengthening of bilateral ties. [passage omitted]

A total of 20 Bolivian citizens will be extradited in compliance with this new treaty after its enforcement. It will affect those facing pending trials such as Felipe Roca Ali and Rolando Suarez Landivar. The new extradition treaty will be ratified by the Bolivian Congress and U.S. Senate probably in August. After that those subject to extradition will be unable to say anything. [end recording]

Bolivian Foreign Minister Antonio Aranibar said the signing of the new extradition treaty, which entailed a complex negotiation process, has enabled the Gonzalo Sanchez de Lozada administration to free itself from the implacable U.S. ultimatum.

Commenting on the negotiations, Aranibar said the extradition treaty will fill a legal void and safeguard the legal rights of individuals and institutions.

He added that the extradition treaty was renewed because there was a need to typify new crimes which affect modern societies.

Government Officials on New Extradition Treaty

PY2906025995 La Paz Radio Cadena Nacional Network in Spanish 2300 GMT 28 Jun 95

[FBIS Translated Text] Presidency Minister Guillermo Justiniano has justified the content of the bilateral extradition treaty signed yesterday by Foreign Minister Antonio Aranibar and U.S. Ambassador Curtis Kamman. Justiniano said that for the government, there were worse extradition treaties. This was the best we could get, he said.

Shaking his head, Justiniano was trying to say that neither Fidel Castro nor Husayn would like something like this. He added, however, that no country can confront the United States, which is a world power:

[Begin recording] We cannot deny that there is a great imbalance between the first world power and our country. Nevertheless, from our point of view, this treaty is sufficiently balanced. If we were to adopt a strictly nationalist stance, then we could say that this is the best treaty we could get. [end recording]

According to Justiniano, the new treaty clearly establishes the conditions of relations so that the Supreme Court may submit the extradition requests now.

The Government Ministry is reportedly also very happy with the new extradition treaty. According to Interior Under Secretary Hugo San Martin, the treaty signed

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between Bolivia and the United States will become a fence around organized crime.

According to San Martin, the bilateral treaty is a legal document that will allow the opening of trials against dangerous criminals:

[Begin recording] A document of this nature was imperative as a legal and essential instrument at this moment. We have repeatedly expressed in different international forums the need to fight organized crime in a joint manner. Then it is imperative to have an instrument between two nations because it will facilitate the transfer of criminals from one country to another. [end recording]

Fulfillment of U.S. Conditions To Lift Ultimatum

PY2906034995 La Paz PRESENCIA in Spanish 21 Jun 95 p 3

[Editorial: "Suspended Ultimatum"]

[FBIS Translated Text] The country in general and the government in particular have received with relief reports on the virtual lifting of the U.S. ultimatum to Bolivia, demanding the fulfillment by the end of this month of three conditions related to the eradication of coca crops in the Chapare region, the signing of a new extradition treaty that will replace that of 1900, and the preparation of a policy to eliminate the surplus and illegal coca crops over the medium and long term.

It is appropriate to stress the peaceful manner — although not exempted from minor tensions — in which the eradication of 1,750 hectares of coca crops was carried out with the voluntary participation of the producers, and in exchange for economic compensation amounting to $2,500 per destroyed hectare. The U.S. economic contribution, the exact amount of which we do not yet know, has undoubtedly been decisive in achieving this goal.

The second condition, the new extradition treaty, is also considered fulfilled after initial disagreements on some aspects of legal order apparently have been overcome satisfactorily for both parties after difficult negotiations. It has already been officially reported that the signing of the document will take place next week in La Paz. The text of the new treaty, which will be kept secret until that time, will be publicly released after the signing ceremony. Without thoroughly knowing its content, it is not possible to make any judgment. We must wait, then, for its publication.

The third condition, according to remarks by the government minister, has also been overcome, concerning the medium-term deadline, based on an initial agreement with the U.S. antinarcotics officials to eradicate 3,600 hectares of coca crops between July and December 1995. With this, the commitment to eliminate 5,400 hectares this year would be fulfilled, thus honoring the commitments assumed by the country within the framework of Law 1008.

The long-term eradication plan, which should begin in early 1996 and extend until the year 2000, with the objective of totally eliminating the surplus and illegal coca crops, will be the object of broader future negotiations in which, in addition to the United States, European countries and other members of the international community would also participate. Financial support is expected to be attained from these European countries in accordance with the scope of that task and in order to guarantee the simultaneous implementation of alternative development programs.

This being the actual situation, there is no reason to magnify the scope of the suspension of the ultimatum and the consequent U.S. certification that will surely accompany the cessation of that pressure. What has been achieved is just temporary relief, because the U.S. expectations seek a truceless coca eradication pace until all surplus and illegal coca crops are reduced to zero, although the objective is to achieve this over a five-year period.

We know that "certifications" take place on a yearly basis in the United States, and this should lead us to look for an internal agreement to prepare realistic and serious policies in the antidrug fight, avoiding, as much as possible, repetitions of exceptionally tough pressures such as those shouldered by Bolivia over the past few months. National commitments must be contracted to the extent and point whereby they can be fulfilled and to the extent that the international community can support those efforts within the framework of the concept of shared responsibility.

Brazil

Cardoso 'Lamented' Loss of U.S. Air Force Contract

PY2806150295 Rio de Janeiro JORNAL DO BRASIL in Portuguese 27 Jun 95 p 4

[FBIS Translated Text] Presidential spokesman Sergio Amaral said that President Fernando Henrique Cardoso "lamented" that Embraer [Brazilian Aeronautics Company] had lost the bidding to supply T-27 Super Tucano planes to the U.S. Air Force. Amaral denied reports that the two governments had agreed to grant the Sivam [Amazon Region Surveillance System] contract

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to Raytheon in exchange for Embraer getting the contract to supply the Super Tucano planes to the U.S. Air Force.

Possible Harm to Company Seen

PY2806223195 Sao Paulo GAZETA MERCANTIL in Portuguese 26 Jun 95 p A7

[Article by Virginia Silveira]

[FBIS Translated Excerpt] The process of recuperation of the Brazilian Aeronautics Company (Embraer) might be hindered by the defeat in the international JPATS tender for the provision of 712 planes for the U.S. Air Force and Navy, under a contract that could reach $7 billion in 10 years. Before being privatized, Embraer's estimated annual sales — based on the hypothesis that it would win the tender — stood at approximately $600 million. [passage omitted]

Embraer President Juarez de Siqueira Britto Wanderley said the defeat in the tender caused an extremely difficult situation for the company, although Embraer's continued existence does not rely only on this factor. "Embraer's existence will continue to be supported by sales of the Brasilia, of the MD-11 Flaps for McDonnell Douglas, of the Tucanos, and, in particular, of the regional EMB-145 jet, which, based on market studies, will be warmly welcomed throughout the world," he said. The company currently has 13 orders for the plane, whose first flight is scheduled for August 1995, along with eight unconfirmed orders, while 18 clients of nine countries have submitted 127 letters stating their intention to buy the plane.

According to Embraer figures released last year, and based on the letters stating an intention to buy the EMB-145, estimated potential sales stand at $2 billion. The enterprise also has the possibility of receiving orders from the Aeronautics Ministry, which signed a contract with Embraer for development of a new military training plane adapted for offensive missions, the ALX.

Congress Approves Bill Creating Real Plan

PY2906025895 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 28 Jun 95

[FBIS Translated Text] The provisional measure creating the real, which had remained filed for a year, was approved by Congress today. This opens the door to changes in the economy.

The provisional measure creating the real was edited nearly a year ago and reissued 11 times since then. In practice, the postponement of its approval by Congress has allowed the government to administer the plan and, month by month, deal with the points it considered necessary to change.

During a joint congressional session, the congressmen finally examined the bill with the amendments presented by rapporteur Senator Jose Fogaca and approved the bill with slight changes. Thanks to an agreement among the party leaders, the congressmen did not vote one by one, but each congressional bloc voted en masse instead. Only deputies from the PC do B [Communist Party of Brazil] and PT [Workers Party] voted against the bill.

This has been an important triumph for the government, which needed the approval of this provisional measure to avoid obstacles to new economic decisions that will be announced.

After a year, the real has finally become a law, one which will nonetheless be modified in the next few hours.

The government intended to announce today some changes to the economy, but it decided to wait for the approval by Congress of the provisional measure creating the real to set the date to announce the new measures.

Finance Minister Pedro Malan today arrived in his office as usual, giving the first signal that the government changed its plans. The empty room where the National Monetary Council [CMN] was supposed to be gathered to discuss the changes to the economy was another signal. The confirmation came later: The government has postponed the announcement of the provisional measure changing automatic adjustment of contracts, prices, and wages to free negotiations. The Finance Ministry computers will have the measures on the deindexation of the economy ready by 30 June.

The government has decided to wait for the approval by Congress of the provisional measure creating the real and the IPC-r [Consumer Price Index-real] to then publish the provisional measure deindexing the economy and abolishing the IPC-r. Therefore, this means that the economic team has two more days to make last-minute adjustments.

[Begin Planning Minister Jose Serra recording] The measures will allow inflation to drop to less than 1 percent per month, which means less than 10 percent per year. This is our principal objective. [end recording]

The government prepared a three-day program to release the economic reforms: Tomorrow at 1950 [2350 GMT] President Fernando Henrique Cardoso will address the nation on national television hookup. On 30 June at 1100 [1400 GMT] the provisional measure establishing the deindexation of the economy will be officially

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announced by the ministers of finance, planning, and labor and by the Central Bank directors. On 1 July President Cardoso will make another statement during the commemorations of the first anniversary of the Real Plan.

Bankruptcies, Layoffs Increase

95SM0390D Rio de Janeiro JORNAL DO BRASIL in Portuguese 21 Jun 95

[Unattributed article: "Real Changes Course, Causes Bankruptcies and Layoffs"; received via Internet]

[FBIS Translated Text] *High interest rates—the highest in the world—are causing problems for firms and increasing filings for protection from creditors by 411 percent.*

Sao Paulo—The Real Plan, which gave a big boost to sales in industry and trade between July and February, has definitely changed course. High interest rates—the highest on the planet—have had an immediate and devastating effect and pushed the economy toward a quagmire, causing unemployment and leading many firms to push the red light.

A nationwide survey completed yesterday by Serasa (a firm that centralizes information on the banking system) reveals that the number of filings for protection from creditors in May was up 411 percent over the same month last year. There were 256 such filings, the greatest number since the critical period accompanying the reversal of the Cruzado Plan in mid-1987. Meanwhile, the number of bills protested monthly rose from 303,000 to 703,000—the worst situation in the past 10 years. Petitions for bankruptcy (2,095) were up by 70 percent.

Trend

As one solution for getting around the crisis, layoffs are becoming increasingly common. In its weekly survey of the employment level, which it published yesterday, the Sao Paulo State Federation of Industries (FIESP) confirmed that trend: There were layoffs for the sixth consecutive week—2,891 in the first week of June. On Monday the Sao Paulo Metalworkers Union presented President Fernando Henrique with a study showing that in May alone, 54 firms in the city had laid off 1,876 workers represented by that union.

In addition, four granted collective vacations, nine shortened the workday, and 69 fell behind in paying wages. Yesterday, according to the union, about 800 employees of four of those firms—Sthral, Mangoflex, Diffasa, and Fabro—went on strike because they had not been paid their wages for May. "My argument to the president was that this is an early sign that things are not going well. The situation is worrisome," says union president Paulo Pereira da Silva.

Loans

Francisco Avila Filho, director of Serasa, says that the firms, chiefly those in debt, have been facing extreme difficulty in obtaining new loans. Because they cannot roll their debts over, they end up in foreclosure. The banks and finance companies are becoming increasingly selective. The firms are left with nowhere to turn, Avila points out. He predicts that Serasa's survey will reveal more negative indicators at the end of this month. "We hope that there will be some degree of reversal in July," says Avila.

With the start of the crisis, the labor market for production workers, which had been hiring since the start of the Real Plan, has turned stagnant. Metalworker Ivanildo Farias dos Santos, 23, has spent the past 45 days looking for a job and has not found one. He says it has never been as hard to find work as it is now.

After working for four months, Santos was laid off by Correia Industry on 6 May along with five coworkers. They claimed that the business was failing, he complains. He points out that, fortunately, he is a bachelor. "At least I can get by," says Santos, "without the 298 reals in wages that I used to get from Correia."

Fast Track Vote on Interest Rate Bill Rejected

PY2806165995 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 28 Jun 95

[FBIS Translated Text] By a vote of 297 to 147, the Chamber of Deputies yesterday turned down a petition by Deputy Jandira Feghali — Communist Party of Brazil, Rio de Janeiro — to give fast track treatment to a bill setting a 12 percent annual ceiling for interest rates.

Deputy Luiz Carlos Santos, the government leader in the Chamber of Deputies, hailed the outcome of the vote, and reaffirmed that to restrict interest rates by law would be a step backwards.

[Begin recording] To set a ceiling for interest rates does not make sense. It would be a step backwards. This is not done anywhere else in the world. It is not in any constitution. [end recording]

Now that the petition to give the bill a fast track treatment has been rejected, it will now be sitting at a special congressional committee.

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Planning Minister Announces $6 Billion IDB Loan

PY2806160695 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 28 Jun 95

[FBIS Translated Text] Planning Minister Jose Serra yesterday met with IDB [Inter-American Development Bank] President Enrique Iglesias. Serra announced that the IDB will supply $6 billion to finance social and infrastructural projects in Brazil. Of this amount, 54 percent will be set aside for social projects and 38 percent for infrastructural projects [percentages as heard]. The IDB will supply a total of $1.7 billion between 1995 and 1996, $2.9 billion between 1966 and 1997, and $1.3 billion between 1997 and 1998.

Serra said that the IDB is betting on Brazil:

[Begin recording] Over a four-year period the IDB is granting Brazil loans totaling nearly $6 billion. The IDB is placing very high stakes on Brazil. I would like to say one thing: This is a bet that has a high chance of success. [end recording]

The IDB will also finance small and medium-sized companies through the National Bank for Economic and Social Development by opening a $300 million line of credit.

SAE Changes Sivam Contract, Asks Senate for Approval

PY2906034795 Sao Paulo AGENCIA ESTADO in Portuguese 2300 GMT 28 Jun 95

[FBIS Translated Text] Brasilia, 28 Jun (AE) — Next week the Strategic Affairs Secretariat (SAE) will send to the Senate a petition to rectify the contract signed between the Brazilian Government and Raytheon for the installation of the Amazon Region Surveillance System (Sivam).

The resolution approved by the Senate will have to be modified because the value of the external loan is really $1.2 billion and not $1.1 billion, as approved by the Senate. Besides this, the original contract mentioned the Brazilian company ESCA [Automation and Control Systems Engineering], which has been excluded from the project for having defrauded the social security system.

Senator Gilberto Miranda (PMDB-AM) [Brazilian Democratic Movement Party-Amazonas], chairman of the Senate Economic Committee and former Sivam project rapporteur, today asked the SAE to provide information about whether the contract will have to be rewritten given the difference of the value of the loan. The SAE has informed him that a new contract is being drafted, and it will be presented to the Senate next week.

Arida's Absence Seen Exacerbating Rift

95SM0390B Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 Jun 95 p B4

[Article by Suely Caldas: "Arida's Departure Worsens Differences"]

[FBIS Translated Text] *The former president of the Central Bank was the tightrope walker in the trio of acrobats whose other two members were Jose Serra and Pedro Malan.*

Rio de Janeiro—The only thing lacking is for the two of them to use the old and threadbare formula of having dinner in a public restaurant in Brasilia, displaying smiles, posing for photographs, and claiming that there is no conflict.

Pedro Malan and Jose Serra have very different philosophical concepts and solutions when it comes to the direction the economy should take. The disagreement over the issue of import quotas for automobiles is only one of many, and many others are going to surface because at the start of the current administration, President Fernando Henrique Cardoso chose the policy of confrontation as a way of resolving disputes between the two factions and thus reserving for himself the final word on economic decisions.

In the almost six months that this administration has been in office, command of the economy has been exercised by the Malan-Serra-Arida trio, and decisions have been made either by breaking a tie or by a forced consensus when one of the three acknowledged his defeat as inevitable.

Fernando Henrique has lost one member of that trio: tightrope walker Persio Arida, the only member who was not fueling antagonisms or preconceived stands. His departure broke up the trio by leaving the disputes exposed to view and allowing antagonism to prosper with no chance of a tie being broken.

While he was part of the administration, various combinations of alliances occurred in the discussions. Recently, however, he has been much closer to Jose Serra even though there is still a gulf between the two on questions of principle. Of the team's members, Arida is the most liberal, while Serra, on the other hand, is the one placing the least faith in spontaneous solutions created by the market.

On two important decisions, Serra and Arida acted together. In the episode involving the currency devaluation, they both supported the establishment of a wider margin of fluctuation for the exchange rate, while Malan, encouraged by Gustavo Franco, insisted on the narrow margin. The solution reached by consensus was

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the worst possible: The devaluation was to be carried out in two stages. That was all the market needed to begin speculating. After losing reserves for a week, Arida ended up revising the margin of exchange fluctuation on his own.

More recently, another conflict arose during discussions about the deindexing of wages. This time, Serra and Arida were supported by Gustavo Franco and Chico Lopes in their proposal for deindexation, and their opponents were Malan and Edmar Bacha, who supported the gradual separation of wages from previous inflation.

Deindexation won.

But Arida's alliances were ephemeral, apolitical, and determined by his own convictions regarding the best solution for the economy.

At the last meeting by the National Monetary Council (CMN), for example, he was defeated by Serra in connection with the decision to allow the National Bank for Economic and Social Development (BNDES) to grant a subsidized loan to the Rio de Janeiro shipbuilding industry.

The former president of the Central Bank argued that political trickery and contrived solutions lead to never-ending demands from other industrial sectors, but Serra maintained that the loan was important in order to win the support of the Rio de Janeiro bloc in Congress for the reforms.

This was in vain. It was the Rio de Janeiro bloc—including PSDB [Brazilian Social Democracy Party] congressmen—that voted most massively against ending the petroleum monopoly.

Interestingly, more than 10 days have passed since the CMN meeting, but the BNDES has still not received notice of the decision regarding the shipbuilding industry.

In the case of the import quotas, Malan has won important support from the Ministry of Foreign Affairs: Besides representing an inappropriate step backward in the opening-up of trade and a return to the outdated formula of the old Befiex [Commission for Granting Tax Benefits to Special Export Programs], the quota system violates commitments signed by Brazil with Mercosur [Common Market of the South] and the World Trade Organization (WTO).

But so far, Malan has not presented any other alternative for neutralizing the harmful effects on the trade balance of growing automobile imports from Argentina. Arida does not disagree with Malan, but he regards as valid the concern expressed by Serra at meetings by the team: The Brazilian external tariff rate of 70 percent, compared to Argentina's 20 percent, serves to stimulate the Argentines to import cars from Japan and to sell their own in Brazil. So what is at stake is not just an ideological debate between economic liberalism and protectionism.

Chile

Justice Asks Prison Police To Guard Contreras

PY2906033395 Santiago Universidad Catolica Television Internacional in Spanish 0100 GMT 29 Jun 95

[FBIS Translated Excerpt] Justice Adolfo Banados, who is hearing the Letelier case, has instructed the National Prison Police to guard General Manuel Contreras at the Naval Hospital in Talcahuano.

Once this measure is implemented, Gen. Contreras will have started serving his sentence. Banados has also decided that National Prison Police physicians will assess Contreras' health and decide on his possible transference to the Punta Peuco prison.

The so-called Letelier case is experiencing key moments. Today Justice Adolfo Banados ordered the National Prison Police to start guarding retired Gen. Manuel Contreras. The order was sent through Homicide Brigade Inspector Nelson Jofre. If the resolution does materialize, the former Army officer will definitely start serving his seven-year prison sentence for the murder of former Foreign Minister Orlando Letelier. [passage omitted]

Banados also ordered that, within the next few hours, National Prison Police physicians assess Gen Contreras' health to decide whether or not the former officer is fit to be taken to a prison.

Currently Gen. Contreras is at the Talcahuano Naval Hospital, where he is guarded by Navy personnel. Therefore, Banados has also requested of the Second Naval Zone commander authorization for Prison Police personnel to enter the Naval Hospital. [passage omitted]

During a news conference this evening, Justice Minister Soledad Alvear confirmed Justice Banados' instructions and disclosed new information on what Prison Police personnel will do in this regard:

[Begin recording] The letter says that Manuel Contreras Sepulveda should remain under the National Prison Police's custody to thus start legally serving his sentence. To this effect, Justice Banados has requested the respective Naval Zone commander's authorization. With this purpose in mind, National Prison Police Director Claudio Martinez will travel to Talcahuano tomorrow. Justice Banados has decided to take Contreras' health

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condition into account in deciding whether or not to transfer him to Punta Peuca prison. To this effect, and in compliance with the terms of Article No. 33 of the Chilean Prison Regulations, the prison police director will order the physicians of this institution to perform the appropriate tests. [end recording]

Socialist Deputy Viera-Gallo Interviewed

PY2706215195 Santiago EL MERCURIO in Spanish 18 Jun 95 pp D4, D6

[Interview with Socialist Deputy Jose Antonio Viera-Gallo by Raquel Correa; place and date not given]

[FBIS Translated Text] [Correa] How would you evaluate the "Contreras Case"?

[Viera-Gallo] I believe this is the most crucial moment Chile has faced in its transition period.

[Correa] Is it worse than the Army show of force?

[Viera-Gallo) Much worse. Many contradictions that were at a second level, or were hidden, have come strongly to the fore.

[Correa] Are you under the impression that dirt was being swept under the carpet and then someone suddenly lifted the carpet...?

[Viera-Gallo] I have two impressions. One, that Chilean leaders, not just politicians, were building a crystal palace or a house of cards, wanting to see only the positive aspects of Chilean society and putting aside or trying to adorn the negative aspects. Then, suddenly, Chile appears the way it really is, with all the pain, injustice, and contradictions. The other is a question: I ask myself if we did the transition period well.

[Correa] What should have been done that was not done?

[Viera-Gallo] I believe we governed well and without any doubt the country functions well. Yet we have been unable to really go from a dictatorship to a democracy. When we said the transition was over, we made a mistake that contributed to that illusion. The terrible thing is that when one wakes up to reality, one doubts if we really achieved what we wanted when we won the plebiscite and the presidential elections.

[Correa] Are human rights the main issue?

[Viera-Gallo] Human rights, but above all the relations with the military men. For a transition to be successful, one must act from a position of truth, explaining the great difficulty of this issue and using great integrity to make the decisions that must be made. Always with prudence but with firmness ... And I believe we faltered on these matters.

[Correa] What was missing specifically?

[Viera-Gallo] Having a more defined policy toward the military men ... A great Italian communist leader, Amendola, a very moderate intellectual said that "in life one cannot ask for everything and nothing at the same time." In life, one must make decisions that are sometimes hard. During these six years we made that mistake: we asked for everything and nothing at the same time. In other words, we sought to do justice and for the truth on the human rights issue while trying to have good relations with those who violated those rights. This is a basic contradiction.

[Correa] How can this issue be resolved?

[Viera-Gallo] The transition comes either with the military men or against those who violated human rights. The first formula was used by Menem [in Argentina] and Sanguinetti [in Uruguay].

[Correa] What happens when the transition is made against the military men? Do you believe that possibility would lead to a military regime for an indefinite period of time?

[Viera-Gallo] Perhaps. We could have held a stronger position — not against military men in general but against those who personified human right violations — by demanding clearer definitions ... Perhaps we would have risked the entire process but it makes me bitter to think that after almost six years, we are on this issue as if in the starting point, that no justice can be done in the case of Manuel Contreras. Everybody knows he committed many crimes that have been condemned by the Chilean Supreme Court. Yet he is defended by the Armed Forces.

[Correa] General Pinochet said that a kind of Nuremburg trial was staged to try Contreras.

[Viera-Gallo] I believe Gen. Pinochet cannot make that kind of judgment: there is a strict restriction in the Constitution that was written by him which says the merits of a judicial ruling or an evaluation of its content cannot be judged.

[Correa] Only President Clinton has the right to comment ...?

[Viera-Gallo] President Clinton made a diplomatic mistake: he should not have congratulated the government on a ruling by an independent government branch. But he is not restricted by the Chilean Constitution. But when Gen. Pinochet makes comments that were widely published on a Thursday — one day before the Supreme Court ruling was disclosed — it is more than strange.

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Gen. Pinochet has no right to judge, and by making that comment he was implicitly judging Contreras. The Nuremburg trial was held to try crimes against humanity committed by the Nazis. There seems to be some affinity with Contreras in this case... It seems Pinochet was against the Nuremburg trial, which was a very important event: it lead to significant progress for humanity and for international law.

[Correa] Could this comparison stem from the fact that it was an ad-hoc tribunal?

[Viera-Gallo] Ours was not an ad-hoc tribunal. It was established by a legal reform that removed the Contreras trial from the military courts, where it was not moving forward. Since it was not moving forward, and since there were fears that there might be some sort of impunity, Congress established a different procedure for this case, placing it in the category of trials that produce problems to Chilean relations. All guarantees were provided: the special judge is a Supreme Court member, and the appellate court is a Supreme Court chamber. No one can say it was a de-facto tribunal.

[Correa] Yet a legal modification was made to enable us to try Contreras in Chile.

[Viera-Gallo] To enable us to try all those in the situation of Contreras. Not just him, but anyone who commits serious crimes that may affect Chilean international relations.

[Correa] They claimed that a third appellate court was not provided for.

[Viera-Gallo] There is no third appellate court in proceedings law.

[Correa] They referred to the request for inapplicability.

[Viera-Gallo] The request for inapplicability cannot operate as a third appellate chance. It has always been considered a very exceptional measure which, rather than being a right for the affected party, is a Supreme Court power to give uniformity to jurisprudence. He requested that the Supreme Court resolution setting proceedings for these matters be ruled inapplicable on the grounds that it was unconstitutional. His request was inapplicable, especially because the trial was over... The fact of the matter is that they never expected an adverse court resolution.

[Correa] What about you?

[Viera-Gallo] I was always confident: the evidence is too tangible... From what I know about the "Leighton case," Italy will soon also produce a resolution against him. A request for "exequatur" will probably be submitted, to serve in Chile a sentence that was imposed in Italy. The Chilean Supreme Court will also have to decide on the subject.

[Correa] There are other cases...

[Viera-Gallo] In other countries, like the "Prats case." A judge has just sent two rogatory letters — one to Chilean courts and the other to U.S. courts — asking for all the "Letelier case" background, and asking that Townley testify in Argentina, as he did in Rome.

[Correa] Do you think the "Soria case" is the factor that is most strongly upsetting the Army?

[Viera-Gallo] The upsetting factor is the interpretation of the amnesty law of 1978. The Supreme Court has modified its interpretation of this law. The Court now has a Chamber, the second Chamber, which is a specialized chamber that will work for a two-year term. Its decision on this case can set a very significant precedent for the next term... There are several pending actions: Soria, the amnesty law. The point at issue is whether the international treaties signed by Chile overrule domestic law. I think they do. The other case is that of Lumi Videla, in which the Appellate Court interpreted that the law was inapplicable. Lawyer Nogueira, a Court member, contended that the amnesty law is null from the viewpoint of international law. This Chamber will be a key step in deciding on the applicability of the amnesty law in coming years.

I believe the Contreras sentence is very soft. Judge Banados applied the criterion of reduced validity of the statute of limitations, thus permitting a reduction of the penalty. The decision was confirmed by the Supreme Court, which also ordered payment of his salary for the year and a few months he was at the Military Hospital. The sentence is soft, rather symbolic.

[Correa] Are you satisfied with that sentence, or do you want him behind bars?

[Viera-Gallo] For me the most important thing is the sentence. The resolution must be fulfilled. Yet the essential point is the sentence, the fact that a Court Chamber that no one can say favors the government has established the penal responsibility of Contreras and Espinoza.

[Correa] Gen. Pinochet has said the trial was unfair.

[Viera-Gallo] Gen. Pinochet should consider that the unfair part is that for many years, under his government, the investigation on the Letelier case did not move forward.

[Correa] Do you think the fourth Chamber would have made the same decision if Pinochet had been in the government?

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[Viera-Gallo] The trial would never have reached the civil courts. It would have remained buried among thousands of military court documents. This trial moved forward only after Patricio Aylwin's victory.

[Correa] So it is a political trial, as Pinochet put it.

[Viera-Gallo] It is political only from the viewpoint that the courts were given a chance to investigate. During Pinochet's government not only the trial was at the military courts, but Carabineros and the Investigative Police did not cooperate.

[Correa] Judge Banados has been criticized for the delay in fulfilling the proceedings.

[Viera-Gallo] The delay was partly caused by requests submitted by the parties, and partly by the excessive sluggishness of our courts... An unsustainable situation has developed. Since the interview with Gen. Pinochet by Channel 13, everyone emphasized the final phrase, that the law will be fulfilled. But Pinochet also said Contreras was innocent, making a gesture that viceroys made when a royal order was received: they put it inside their hat and said "it is accepted, but not fulfilled."

[Correa] What do you think about the government's attitude regarding the ruling and its consequences?

[Viera-Gallo] I think the political team and the Coalition of Parties for Democracy were strongly united and the figure of the president is very firm. I think their performance was very good... It is very obvious that this is an extremely complex issue. Rather than blaming the government for the problems that have surfaced we should blame those responsible for creating this situation. No government in the world can foresee this type of intelligence operation carried out by the Armed Forces behind its back. It is as if the Armed Forces was trying to show how strong they are by saying: We officially abide by the law but we do what we like.

[Correa] Do you believe Contreras is ill?

[Viera-Gallo] I believe he had cancer. But this sudden deterioration of his health sounds very suspicious. Even if it were true the military have acted in such a way that anyone has the right to doubt. If he were sick and had gone to a regular hospital and said he would accept the ruling but that he would like to undergo tests, everyone would have understood. The circumstances make one doubt: Do you remember all those tests [Erich] Honecker underwent in a hospital in Moscow... It was quite likely he was sick, but the way he acted, and the military operation that was carried out, entitles us to doubt the sudden deterioration of Contreras health, especially when Brig. Espinoza also became sick suddenly...

[Correa] There was no negative reaction from the Armed Forces for several days after the ruling was passed down.

[Viera-Gallo] What happened was worse than the "show of force" that was a clear demonstration of unrest within the Army that fizzled into nothing. In this case, however, a court ruling is at stake. The fulfillment of a court sentence is being questioned. Everybody says the law will be respected. Admiral Martinez has said so but it will be fulfilled only formally and if this mere formality is maintained, the people will lose faith in the institutions.

[Correa] Do you think the government has lost authority over this episode?

[Viera-Gallo] Chilean reality has surfaced and the reality is that this government, and the one headed by Patricio Aylwin, have had to deal with an Armed Forces that enjoy a judicial "status" of relative autonomy that is expressed in the fact that the government does not have the authority to replace the commanders of the Armed Forces, and in the power they have to express their opinion at the National Security Council. This became quite obvious with the "Contreras case." It shows the government has restrictions: The president is the chief of state, undoubtedly; he enjoys full constitutional power, but cannot exercise it over the Armed Forces.

[Correa] What can Frei do if the ruling is not fulfilled?

[Viera-Gallo] He can summon the National Security Council.

[Correa] Where half the members are the commanders in chief...

[Viera-Gallo] If this does not work he would have to think very carefully what step to take next.

[Correa] Do you think the Army has exerted pressure on Pinochet?

[Viera-Gallo] I think a very complex internal debate on how to handle this case must have been held. Gen. Contreras is a significant figure in Chilean history: He is an intelligence chief and, what is more, not just any intelligence chief. I don't know whether the solidarity expressed would have been the same had the person sentenced by the court been General Odlanier Mena, General Gordon, or General Salas, who were also heads of the Intelligence Service. Contreras played a very important role in the repression during the first years of the military regime in Chile. I imagine there must have been a very complex debate within the Army but the conclusion is that the institution has practically expressed official solidarity for Gen. Contreras and Brig.

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Espinoza... Unfortunately, the situation has reached this point.

[Correa] During a television interview Gen. Pinochet said this was neither his nor the Army's problem, that it was Contreras'...

[Viera-Gallo] He also said it was a government problem.

[Correa] With that comment he practically "abandoned him." Could those comments have caused him problems within the Army?

[Viera-Gallo] I do not think Pinochet's leadership has ever been questioned within the Army. Civilians fail to understand that while the court ruling was awaited, they should have sought — with the Army — a way to fulfill this sentence that would have cushioned the difficulties. The government thought building a special prison for military men would solve the problem, but it soon realized this was not so. I think Gen. Contreras does not accept being guarded by prison guards because he believes they are not a good enough guarantee. I think an effort should have been made, always abiding by the law, not to place him in the hands of the National Prison Police. Some National Prison Police prisons are managed by the Carabineros.

[Correa] When Contreras went from Fresia to the Sangra Regiment he must have only gone for a few hours. It is believed the order came from Santiago, from the commander in chief.

[Viera-Gallo] At this stage of events I am under the impression that when Gen. Videla visited him basically everything had already been arranged. He was obviously told he could enter that regiment and when he left it he obviously had the Army's support. He left because the Investigative Police was not looking for him and things would be handled differently. During the interview granted to LA TERCERA, Pinochet admits they carried out an operation, albeit minor. The operation was not carried out by Contreras but rather by the Armed Forces. By the Army and the Navy. I believe the planes that overflew Santiago showed the Air Force was also there. I believe the Armed Forces acted united. The Army and Navy in a more active manner.

What worries me is the fact that the real chances that the sentence will be fulfilled are withering. If he has to undergo surgery, as it has been said, he will at least spend one month in hospital. Then comes the convalescence period... I think that is the plan. For some reason he has always said he would not go to any jail. He said that if he is sent to jail he will open his mouth and many will fall.

[Correa] Who was he threatening?

[Viera-Gallo] Many people. Someone like him knows a lot about many other people, be they civilians or military. He spied on Pinochet's ministers; he tapped [murdered Independent Democratic Union Senator] Jaime Guzman's telephone...

[Correa] In other words, you do not believe Contreras felt ill en route and that is why he went to the Navy hospital...

[Viera-Gallo] Gen. Pinochet has admitted it was an intelligence operation. I think the Armed Forces is in a very awkward position: it formally respects the law but fails to enforce it. The Supreme Court president said: "We are about to witness a case of contempt of court." And this is a crime. When not respected the law loses its purpose. This is the problem we are facing now.

[Correa] In a few words, the government will emerge very weak from this episode.

[Viera-Gallo] It is all very complicated. But what can a civilian government do before the Armed Forces? I believe the Army's reputation before the people and history has deteriorated because it expressed solidarity with a general who committed a serious crime. This was not the case when Gen. Viaux was sentenced: He was in prison just like any citizen who commits a crime. Never before has the Army believed its honor as an institution has been stained by a crime committed by one of its members. Quite the opposite happened here. Gen. Pinochet is mistaken when he says solidarity must be expressed with a general of the Republic, even if he is retired because he is still a general. The institutions are well above the people.

[Correa] Do you think politicians helped to worsen matters?

[Viera-Gallo] Hardly. In general, I think everyone acted cautiously. Juan Pablo Letelier was an example of prudence. The problem is that we pursue justice while a military rule says a triumphant Army should not be persecuted nor judged. But this is not what the logic of democracy says. Sinclair said something like: Peace has not been signed in Chile, and this seems to be the case in view of their attitude. Peace means the logic of war has ended and that everyone abides by the law, a law drafted by the Armed Forces themselves. The Armed Forces' great dilemma now is whether to be loyal to the Constitution they themselves drafted or to Contreras, although, formally speaking they have not violated the Constitution.

[Correa] What now, after Contreras? Is this the end of the story or just the beginning?

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[Viera-Gallo] The rightist sector maintains that this should be the last case. I believe no political agreement can prevent relatives from seeking the truth about the whereabouts of their beloved arrested-missing. There are 1,165 arrested missing people in Chile, of which we only know the whereabouts of 150: 67 are buried in Plot No. 29 of the cemetery, the rest are in various regions... There are more than 900 whose fate is unknown... Nobody can stop the effort to investigate these cases.

[Correa] Through judicial channels?

[Viera-Gallo] These cases make no or very little progress through judicial channels. There are also non-judicial channels, information, discoveries. It is not true that learning the truth can trigger a wave of revenge. When the discoveries at Plot No. 29 were made, people wept a lot, they prayed, took flowers, and the problem ended. Information on the whereabouts of the missing must be disclosed even through non-judicial channels. I am not asking the Army or an officer to publicly acknowledge what he knows and disclose the information. He can do so through the most secret channel he thinks the case requires. The important thing is that the information reach the relatives.

[Correa] Do you think all the cases will be clarified?

[Viera-Gallo] I would say that the case of the people who died during the first few months will probably not be clarified. Many people were killed by civilians... In the case of the MIR [Movement of the Revolutionary Left] and the Communist Party, I believe the high command when it says it knows nothing, but it does know who knows, and it can get these people to disclose the information they have. The sentencing of Contreras helps those who have not found the truth to feel — to a certain degree — that justice has been done because that systematic operation was headed by Gen. Contreras.

[Correa] How can spirits be appeased, because we are the same as we were 20 years ago.

[Viera-Gallo] There is no formula. I believe forgiveness is the only path to reconciliation. I believe forgiveness is a free and very important virtue. The bible says Christians forgive 70 times seven. The gospel is very strict in this sense: It says you must love your enemy, turn the other cheek, that if someone steals your attire you must give him your cloak. When I was in Italy [Aldo] Moro's daughter went to mass with those who murdered her father... Neither the civilians or military have made this sort of gestures in Chile. We have only made formal gestures of coexistence driven by a sense of realism, in a calculated manner. What is worse is that we have not truly forgiven from the bottom of our hearts. We have always found an excuse not to forgive... It is one thing to forgive through confession, which demands an attempt to change, to repent; while the person's attitude, the sole, in another matter. That should be gratuitous, without frontiers.

[Correa] One concrete solution that has been proposed is that the amnesty law should be respected in its original sense: That no investigations should be conducted because the culprits cannot be punished.

[Viera-Gallo] I believe discussions regarding the amnesty law are hypocritical. You cannot say yes to the law but no to justice. Nobody can believe a judge's mission ends by merely saying this is a crime, I pardon it, and close the case.

[Correa] Sergio Fernandez said that was the spirit of the amnesty law.

[Viera-Gallo] Obviously. The spirit of the amnesty law was more to forget than to make justice. If the amnesty law had been drafted under a democratic regime, I would say the decision not to investigate may be justified because society would freely say that it has decided to start from scratch. But the 1978 amnesty law was drafted by the same people whom it benefited.

[Correa] Not only them. Many of the opposition left jail and went to live in exile...

[Viera-Gallo] Yes, I admit some did. Nevertheless, that law is not really legitimate. If we in Congress decided to approve a new amnesty law then it would be legitimate. But nobody has that practical solution in mind.

Colombia

Arrest of Suspected Cali Cartel Leader Viewed

PA2806133395 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 28 Jun 95

[Report by Galo Bravo from Valledupar; from "Caracol's 0600 to 0900" newscast]

[FBIS Translated Text] Around 2100 GMT on 27 June, the authorities searched a modest home in the city of Valledupar. There, they found a Colombian who identified himself as Fanor Arizabaleta.

He was carrying four counterfeit identification cards — two of which were from the city of Cali and an identification card from an airline company. According to a statement made by DAS [Administrative Department of Security] National Director Ramiro Bejarano to Emisoras Caracol at 0600 today, the man immediately tried to bribe Search Bloc agents, offering them $1 million. Within the coming hours, this man will be transferred to Santa Fe de Bogota, and later he will be sent to the

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DAS offices, where his fingerprints will be compared in an attempt to establish his true identity.

Everything indicates, however, that this is the No. 6 man in the Cali Cartel. Galo Bravo now has this report from Valledupar:

[Bravo] DAS [Administrative Department of Security] Director Emilio Gonzalez [name and title as heard] has just confirmed that the finger prints do not match those of the No. 6 man of the Cali Cartel. He said they belong to a [word indistinct] citizen, who at the time of his arrest identified himself as the private pilot of Miguel Rodriguez Orejuela. The DAS director said that so far he cannot confirm the identity of the person who has been detained, but he adds that he can confirm that this person is a member of the Cali Cartel. Here are his remarks:

[Begin recording] [Gonzalez] The finger prints do not match. The truth is that we are sending the fingerprints to Santa Fe de Bogota to establish, first, that this person who posed as Cali Cartel drug trafficker Fanor Arizabaleta is indeed who he says he is. He was carrying four identification cards, including one identifying him as an Avianca Airlines pilot. In short, he has different names, and at this time we cannot say who he is for sure. We have [words indistinct] an individual of a [words indistinct] nationality, or a Central American.

[Unidentified reporter] Could he be Venezuelan?

[Gonzalez] He might be Venezuelan, but, no matter what, he is someone who is connected to the Cali Cartel.

[Reporter] At the time of the arrest, did he identified himself as Fanor Arizabaleta?

[(Gonzalez)] At the time of his arrest, he identified himself as the private pilot of Gilberto, excuse me, Miguel Rodriguez Orejeula. Later, he told us he was not [words indistinct] and for this reason, the Santa Fe de Bogota prosecutor is aware of this [words indistinct] have to establish the true identity of this man held at the central prison. [end recording].

[Bravo] Right now, [words indistinct] to be flown later to Santa Fe de Bogota, because [words indistinct] the Air Force airplane that will fly the Cali Cartel member in a few minutes to Santa Fe de Bogota.

As we have seen, the suspect is a man who is about 42 years old and who has a light complexion. At the time of his arrest, he was wearing blue plants, sneakers with red stripes and a black cap featuring the words: Peace and Joy. He appears calm and has no [words indistinct] the woman who was accompanying him is also under arrest.

This is all of the information available with regard to the capture of the alleged Cali Cartel leader.

Suspect Not Arizabaleta

PA2806144195 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1400 GMT 28 Jun 95

[From "Caracol's 0600 to 0900" newscast]

[FBIS Translated Text] Attention: The man arrested in Valledupar is not Fanor Arizabaleta. His name is Dennis Ospina Reyes, apparently a Venezuelan car thief. He is a plain and vulgar thief, according to a statement by the governor of Cesar Department, who was visibly upset. Prosecutor Office Director Efrain Apcnte Martinez has admitted that this incident was the greatest flop of the year.

Hoyos Discusses Meeting With M. Rodriguez

95CA0288A Santa Fe de Bogota EL TIEMPO in Spanish 21 Jun 95 p 14A

[Transcript of interview given by Bernardo Hoyos to the "Viva FM" radio program]

[FBIS Translated Excerpt] This is the transcript of the interview held yesterday by the hosts of Caracol's radio program "Viva FM," Roberto Pombo and Julio Sanchez, with the priest and ex-mayor, Bernardo Hoyos. [passage omitted]

[Viva FM] What does Miguel Rodriguez Orejuela want to say to the president?

[Hoyos] He simply wants to talk and set some conditions for his surrender. He wants to surrender under certain conditions.

They catch them, and the narcoterrorism will still continue. Look at what happened in Medellin, even though they killed Pablo Escobar. And the Medellin Cartel is still strong, with the coca being taken out through all the airports, and by all the land, sea, and river routes. So, that action is not the solution.

Now, it is Cali. The partying Cali is no longer a partying Cali. You go to Cali, and have to go indoors at 1800 hours, because you are afraid. And next it will be Cartagena, Barranquilla, and Bucaramanga: In short, this will continue to benefit persons who want war and want the country's destabilization.

[Viva FM] What are those conditions for surrendering mentioned by Miguel Rodriguez?

[Hoyos] It is not merely by talking and reaching conclusions that, for example, the situation will be respected and projected to everyone. They already have

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two brothers, and (he claims) "I am the only person outside to assume responsibility for the family." He said: "So, it is as if I were in jail too, and, I repeat, there is no evidence."

[Viva FM] Father, are we assuming that Miguel Rodriguez Orejuela is not a drug trafficker?

[Hoyos] No, he claims that; I am not assuming anything. What he wants is to hold dialogue and surrender like all of them, but, they say, under more just and honest conditions. Because many people are involved in all this, and there is obvious evidence.

[Viva FM] You say that many things about this meeting left you sickened, and that it looked as if there were corruption everywhere. What was it that you discovered?

[Hoyos] Documents in which many people are implicated, extremely serious tapes of people who are now bragging about being honest and clean. That is what is disgusting.

[Viva FM] Which people, Father?

[Hoyos] People associated with all classes.

[Viva FM] But is this related to the notorious narcocassettes, and all these things that we have been experiencing?

[Hoyos] All that is implicated in the situation. And I think, I don't know, that the problem is very serious. I believe that it should be treated far more carefully, far more responsibly, and far more honestly, to prevent a disaster in the country.

[V.H.M.] Father, you have always been typified by speaking out candidly. Why don't you tell how many people are involved?

[Hoyos] I say many people because the list is so long that I don't have the names here in my head. I didn't pick up anything, I only saw and touched, and I realized that things are not so simple, so plain, or so fortunate as the people are being told. And the Colombian people will have to begin realizing that they could be told lies at any time.

[Viva FM] Father, those conditions coincide with the same demands made previously by the Rodriguez Orejuela brothers, which proved impossible because the Prosecutor General's Office would not accept them. Will an agreement be reached with the Prosecutor General's Office because the go-between is President Samper, and he is the one legally responsible for dealing with that request?

[Hoyos] In fact, I believe that the president is the president. I believe that he is the head of state. We elected him for that, so that he would assume responsibility for solving the problems afflicting all of us. I believe that he must assume the role of president. He is chief of the Armed Forces, and chief of the police in the country. Therefore, it is he who must give the guidance for the action to be taken. I believe that our beloved president needs to assume the role of president.

[Viva FM] To translate those conditions that you are discussing into practical situations, would Miguel Rodriguez request house arrest instead of jail, so long as there is an entire process of selection regarding his court case?

[Hoyos] Well, I don't know. I am repeating his or their aspiration, because that is what it was: to hold dialogue with conditions. You may perhaps be saying something that I really had not considered: the fact that, during the previous government the Cali Cartel met 14 times with Prosecutor General De Grieff, engaging in this type of negotiation, and with conditions.

[Viva FM] Father, do you agree with the revelation in Alberto Giraldo's newspaper, in its third chapter. Did Miguel Rodriguez meet with Prosecutor General De Greiff?

[Hoyos] Yes, they told me, verbatim, showing evidence that they had met. And they spoke very well of Prosecutor General De Greiff, claiming that, in fact, he in fact was fully capable of running the country.

[Viva FM] You also say that you had talked and met with other persons besides Miguel Rodriguez. With which others?

[Hoyos] No, it was a group, their group; it was a complete group. Theirs was a group of four persons.

[Viva FM] Father, when you told the authorities that you were going to meet with them, did the authorities ask you to inform them on where the meeting would take place? You claim that, before meeting with Miguel, you notified the authorities, the DAS [Administrative Department of Security], and the president of the republic. Did the Colombian authorities ask you to inform them when and where your meeting would be held?

[Hoyos] No, not when and how. I said that I would meet with them. I told the president of the republic because, I repeat, I have nothing to hide. I am a priest, and I would talk with anyone in the country to make a small contribution to this process.

[Viva FM] Did President Samper give you permission to meet with Miguel Rodriguez?

[Hoyos] I simply notified him, saying that I intended to hold the meeting.

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[Viva FM] But didn't you request permission?

[Hoyos] And I also notified the chief of the DAS, in case they caught me, so that everyone would know that I had said I would take that risk. Because the country's peace deserves even our own lives.

[Viva FM] Did you discuss the results of the talks and the conditions relating to this dialogue with the president of the republic?

[Hoyos] I have not spoken yet, because I have not had an opportunity. I called once or twice, and made no more calls. That is why I haven't talked with him about the results. I intend to do so.

[Viva FM] Does that mean that he didn't pay much attention to you?

[Hoyos] No, no, quite the contrary. I called and, since it was a weekend, the president must surely have been busy. And I didn't persist any further, because I have a great deal to do there.

[Viva FM] Father, you say that, four days ago, you met with Rodriguez. How long ago did you speak with the president, and how did your meeting with the presumed drug trafficker occur?

[Hoyos] Well, I talked with the president on Tuesday night, and with the DAS director early Wednesday morning. And then I continued to observe how I stood with these gentlemen; and that really is a confidential matter.

[Viva FM] There was great concern about the revival of narcoterrorism in our country after the Medellin bomb explosion, and about some intelligence reports after the meeting with those Cali people. Did they give you the impression that they would go so far, or would be willing to go so far as to hold a confrontation of this terrorist type?

[Hoyos] They are not involved in such a plan; they have never given any thought to that, they told me. And they said that no one could prove any such act by them, even against terrorism.

But it is a group and, I repeat, the drug traffickers are not the Rodriguez Orejuelas: there are thousands upon thousands involved in this. Now, no one can guarantee that the Rodriguez Orejuelas do not want terrorism; but other narcos could want it. And that is the great danger, which doesn't seem to have been visualized by those in charge of the battle. That is what concerns me too, for I experienced the situation in Medellin.

[Viva FM] Father Hoyos, at the end of last year, when Gilberto Rodriguez made his public proposal to surrender to justice under certain conditions, he said that he had the capacity to win over a number of drug traffickers in Valle, that he could cause a considerable decline in the flow of the drug traffic to the United States, and that it was far more important to dismantle the drug traffic than to destroy four or five persons. Did you discuss that with Miguel Rodriguez also?

[Hoyos] They are still saying the same thing: that they could hold dialogue, and accomplish this. He confirmed that.

[Viva FM] Did you also meet with Phanor Arizabaleta, "Pacho" Herrera, and Santacruz?

[Hoyos] With "Pacho" Herrera and another person whose name, in fact, I didn't ask, because I am very cautious about that.

[Viva FM] And what did "Pacho" Herrera say?

[Hoyos] No, he was very calm, and also maintained the same position as Miguel.

[Viva FM] What is your impression of the fact that, in March, you announced that you would meet with them, you met, and in less than a week you have done all this, while the authorities are not even doing anything? In other words, how can you actually hold a meeting with Miguel Rodriguez, while the authorities cannot capture him, even knowing that you were able to meet with them?

[Hoyas] Well, I think that this is a result of the confidence and credibility that people have. So, I virtually did what they told me, and the event took place very easily, and we talked very calmly.

[Viva FM] You are very mild by nature. Weren't you afraid at any point in this incident?

[Hoyos] I have told you personally that, when you believe in the Bible and believe in peace, your own life is of no concern to you.

Further on Hoyos' Meeting With M. Rodriguez

95CA0291A Santa Fe de Bogota EL TIEMPO in Spanish 22 Jun 95 pp 1, 18A

[Interview with former Barranquilla mayor Bernardo Hoyos by EL TIEMPO, on 21 June; place not given]

[FBIS Translated Text] While the National Prosecutor General's Office was considering the possibility of calling upon the priest, Bernardo Hoyos, to make a statement for the "narco-accounts" case records, the government declared yesterday that it would not accept any blackmail, and refrained from receiving the former Barranquilla mayor.

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Hoyos' disclosures regarding his meeting with Miguel Rodriguez Orejuela, Francisco "Pacho" Herrera, and other persons whom the priest did not recognize created reservations yesterday concerning what is interpreted as an improper role: that of serving as a sounding board and messenger for what the Executive Branch viewed as blackmail on the part of Valle's "narcos."

In fact, the priest's assertions per se lost consistency. After indicating that there was money from the drug traffic intended for the political campaigns, and tapes on which Miguel Rodriguez Orejuela mentions sending 5 billion pesos to one of those campaigns, for example, the ex-mayor of Barranquilla claimed to be unable to give names, because he did not recognize the voices on the tape.

"I didn't see the names on the checks, nor recognize the voices on the tape; nor did I pay much attention to the photographs." Hoyos made this comment when asked to specify the identities of the Conservative and Liberal politicians, and high government officials who, he claimed, were implicated in receiving money from the Mafia.

Yesterday, EL TIEMPO attempted to force Father Hoyos to be specific, and these are his responses.

[E.T.] What was it that Miguel Rodriguez showed you?

[B.H.] I saw a large number of photocopies of checks, but I didn't pay close attention. I didn't want to see names because, frankly, it sickened me. They told me: "Father, there are a number of politicians here who received 500, 600, or 700 million, who are now posing as honest, clean persons. They are mistreating my brother and the others, and here is the evidence, Father."

[E.T.] But did you tell the Caracol network that there are politicians of that type linked to the government?

[B.H.] They said that calmly: "There are people here linked to the government." And they showed me more documents in which, they claimed, the Medellin Cartel was proven to have given money to other governments. The situation is widespread.

[E.T.] What do you mean by saying that "the situation is widespread"?

[B.H.] The number of documents, the number of checks....

[E.T.] Approximately how many checks?

[B.H.] A quick count showed about 15 billion pesos. They were photocopied sheets. They were checks issued in pesos and dollars, but mainly pesos. It was an enormous sum. I later listened to a cassette recording that also was very compromising, on which pseudonyms were used. They told me that those were all people connected with politics. The cassette recording lasted about 20 minutes.

[E.T.] And didn't you recognize the voices on the cassette recording? How many persons were there? What were they discussing?

[B.H.] No, in fact, I didn't recognize the voices. I believe that one of the voices was Miguel's, because he said: "They are talking to me." There were two different persons, who were demanding money.

[E.T.] What exactly did they say during the conversation?

[B.H.] That they were in urgent need of money because things were not going well, and it was necessary to guarantee certain victory.

[E.T.] Were they requesting money for a political campaign?

[B.H.] More than requesting, demanding. They said that it was urgently needed, because they had to guarantee victory. In one response, I heard Miguel Rodriguez say: "I have already sent 5 billion." I did hear that.

[E.T.] But Father, you told the radio network that this was an extremely compromising tape. If you don't know who the speakers are, how could you make that claim?

[B.H.] Well, if a person is requesting money, that is compromising.

[E.T.] Is it like your assertion that "there are politicians of all stripes: Conservatives and Liberals"?

[B.H.] That's what they told me.

[E.T.] But don't you have any evidence?

[B.H.] That was what they told me, just as they said that they had met with De Greiff. I'm not the one who is making that claim.

[E.T.] Could one think that the persons linked to "case 8000," the senators and representatives, the comptroller, and the attorney general, are on that list of politicians paid by the Rodriguez brothers?

[B.H.] What they said was: "Father, you can't imagine how many people now pretending to be honest have received our aid." What I believe is that it is very important for this to be investigated by the Prosecutor General's Office.

[E.T.] But when you talk about high government officials, for example, should they be considered to be

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officials of cabinet rank, and persons who were associated with the campaign? Horacio Serpa and Fernando Botero?

[B.H.] I don't know. It would be very important for the Prosecutor General's Office to investigate that.

[E.T.] Isn't it thoughtless on your part to come out tarnishing the reputation of the entire political class and the government, when there is no certainty about which politicians are involved?

[B.H.] As for whether the entire country's reputation has been tarnished, that really is true. It is a truth that everyone knows. Now, as for telling what I observed and experienced personally, that is something else. There is no thoughtlessness, because I believe that this will contribute to making it possible for a real investigation to be conducted by the Prosecutor General's Office.

[E.T.] Of what does that contribution consist, Father, if everything remains all-embracing, without a single name, and without a single piece of evidence?

[B.H.] In fact, the issue is not so easy. The prosecutor general must know, and if he asks me, then I shall have to tell him very clearly that the investigation must be conducted to its final consequences. He has some cassettes; the prosecutor general has some that are quite compromising.

[E.T.] In your judgment, or because Miguel Rodriguez says so?

[B.H.] The one that I listened to, provided that it is investigated, is in fact very compromising. Besides that, Alberto Giraldo is in prison, and Giraldo has a great deal of information.

[E.T.] Father, as they asked you on RCN [National Radio Network], how can it be believed that you looked at some checks and were sickened, but saw nothing: not one name?

[B.H.] I was sickened by the amount and the pile of money that these people received.

[E.T.] Which "people"?

[B.H.] They were people from political campaigns, because that money was for political campaigns, and they admitted it calmly.

[E.T.] But, in fact, didn't you tell Caracol in the morning that there were Liberal and Conservative politicians, and high government officials? And, at noon, didn't you tell RCN that you had paid no attention to the photographs, the tape, or the names on the checks?

[B.H.] I listened closely to the tape, but I didn't distinguish voices; and, as for the checks, I saw them, but I didn't focus on the names. The photos are of people conversing with Gilberto Rodriguez and other gentlemen from the cartel.

[E.T.] Do you realize that the 15 billion that you added quickly coincides with the 15 billion issued from "narco-accounts" that the Prosecutor General's Office is reckoning?

[B.H.] No, I was talking about the calculation that I made.

[E.T.] To what were you referring when you said: "They have respect for President Samper, and don't want to hurt him."

[B.H.] The following, precisely: When I was called by the presumed Cali Cartel drug traffickers, they told me: "Father, you could be of great help, you could assist us greatly, because we don't want the country to be harmed, nor the government to be harmed. And that is why I went, because I really don't want the country to be harmed."

[E.T.] But how could the country and the government be considered harmed because the names of persons who have received money from the drug traffic are revealed?

[B.H.] Because if all those things really come out, the country surely will be harmed.

[E.T.] Could this possibly be an attempt to force the present government to resign?

[B.H.] The situation is serious because of this; it is, in fact, serious. That is why it is necessary for rapid, effective solutions to be sought.

[E.T.] What, specifically, do the "narcos" expect from the Samper government?

[B.H.] They are or were seeking dialogue with the president, directly, or through some official, so as to arrive at clear negotiations.

[E.T.] Negotiations on what?

[B.H.] For example, they cite the penalties and the length of time in jail, and not wanting to be treated as if they were monsters. They claim to need suitable treatment, more suitable than that being given them now.

[E.T.] If the authority is the national prosecutor general, why don't they appeal to him?

[B.H.] I don't know. They said: "We negotiated with prosecutor general De Greiff several times, but we have not held dialogue with prosecutor general Valdivieso. We have tried to do so, but we have not succeeded."

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[E.T.] Do the drug traffickers possibly feel that President Samper and his campaign owe a kind of debt to them?

[B.H.] They didn't tell me that.

[E.T.] And isn't there an enormous Mafia blackmail behind all these messages being sent through persons such as you?

[B.H.] It is possible, but I don't believe so. I have been thinking of that recently. I didn't sense any attempt at blackmail in them.

[E.T.] Then what sense does it make for them to show you a number of checks and photographs of documents, unless it is to tell those who are implicated that they could reveal everything?

[B.H.] They are not attempting blackmail, because they would already have committed it. And they did say that they could reveal things that would cause extreme harm to many people, but they are not inclined to do that. Furthermore, they claimed that there are express orders for the individuals in prison to be very careful and not to harm anyone, because what is in our interest is that no harm should be done to the country in favor of the North Americans.

[E.T.] So, are we in a situation whereby it is the drug traffic that ultimately decides what is to be known and not known, and there are some who must pay a price for the Mafia's silence?

[B.H.] I believe that the Prosecutor General's Office must investigate, and that the state's intelligence agencies must act properly, and tell the truth, but not half-truths, to the country.

[E.T.] And aren't you telling half-truths?

[B.H.] There are some who view me as engaging in politics and serving as the Cali Cartel's messenger.

[E.T.] What is your opinion?

[B.H.] People who know me realize that I have no interest other than to make the authorities aware that the situation is serious, and that they must adopt measures that will restore their credibility to the people. They must investigate, and not leave this situation without an explanation, or with half-truths.

[E.T.] Aren't yours half-truths?

[B.H.] I told what I saw.

[E.T.] Are you a sounding board for the drug traffickers?

[B.H.] No, I believe that this is a service that I can do for the country, and I am doing it.

Ecuador

Deputy Foreign Minister on Talks With Peru

PA2806231295 Quito Voz de los Andes in Spanish 1700 GMT 28 Jun 95

[From "The Voz Andes Newscast"]

[FBIS Translated Text] Ecuadoran Deputy Foreign Minister Marcelo Fernandez de Cordoba has said that Ecuador will treat the talks with Peru in Brasilia with due reserve, adding that the specific points of the Ecuadoran garrisons Coangos and Banderas have not been discussed yet:

[Begin recording] [Fernandez de Cordoba] [Words indistinct] very difficult [words indistinct]. The work has not been completed yet; it has only been put on hold [words indistinct]. Due to this suspension, we have to treat the points already discussed with restraint until we reach a conclusion. I am asking you journalists to treat this matter with restraint.

[Unidentified reporter] Is the situation complicated?

[Fernandez de Cordoba] This is just a negotiation, but it will take time. This process is not one that can be completed overnight, because the respective positions are very different from one another and must be reconciled. [end recording]

The National Security Council is meeting at the Presidency. Fernandez de Cordoba has confirmed the Ecuador-Peru issue must be treated with due reserve.

Deputy on Law Creating Social Solidarity Fund

PA2906043895 Quito Voz de los Andes in Spanish 1700 GMT 28 Jun 95

[From "The Voz Andes Newscast"]

[FBIS Translated Text] After the legislative Joint Committee established, based on the executive branch's new figures on the cost of the war, there was a fiscal deficit of 390 billion sucres, the Social Christian bloc proposed the approval of an amendment to the law creating the Social Solidarity Fund as an alternative to financing.

According to Deputy Simon Bustamante, this bill authorizes the government to contract domestic or foreign credits for up to 390 billion sucres in view of a force majeure caused by the conflict and for this one time only:

[Begin Bustamante recording] Today, the Social Christian bloc presented a proposal consisting of an amendment to the law creating the Social Solidarity Fund. It is established through this amendment that in view of

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a force majeure caused by the war conflict and for this one time only, the government is authorized to obtain domestic or foreign credits for up to 390 billion sucres. This sum would be paid through the yield obtained from the capital of the Social Solidarity Fund. It is a yield the law expressly describes as untouchable. The resources to finance the fiscal deficit can be obtained through the net yield from this capital, but this can be done for this one time only. [end recording]

Bustamante added that it is unadvisable to raise public service charges or to create new taxes to finance this deficit, because it would only worsen poverty in Ecuador and make the country's basic productive apparatus less competitive.

Peru

Fujimori's 'Indecision' in Completing Reform Viewed

PY2906040095 Lima EXPRESO in Spanish 11 Jun 95 p A34

[Editorial: "Mr. President, Take a Vacation!"]

[FBIS Translated Text] Of late, the incumbent administration only seems clear and self-assertive in its control measures or the use of force. It raised barriers to hinder new blood from going into politics in a move to perhaps artificially maintain a dominant position. It placed, perhaps with well-founded reason, the universities of San Marcos and La Cantuta under trusteeship. It sentenced — with practically no legal foundation — Carlos Mauricio, a retired general and top leader of the Union for Peru Movement, to 14 months' imprisonment for remarks he made about the recent conflict with Ecuador.

At the same time, there is much indecision and a lack of direction with regard to matters related to the economy, social investment, and the reform of the state. On the one hand, force, and on the other, confusion — this is certainly not the best way to inaugurate a second presidential term.

And yet, to a certain extent, this was only to be expected. The struggle against subversion, hyperinflation, and statism was strenuous, even Herculean, but it was a clear task. It has been accomplished with efficiency and courage, something which the people applauded in the 9 April elections. The most conspicuous and perceptible monsters were annihilated. The way ahead has thus been cleared. It is now, therefore, necessary to define where we are heading, and that is not so evident. It requires a more enlightened analysis and dialogue, and this is impossible to accomplish if the only clear thing is that the government is increasingly cloistering itself away with smaller and more closed cliques.

The first noticeable thing is a tendency to presume that our country has made enough strides in its reform process and that now it is necessary to start moderating laissez-faire "excesses." What a most gross error! The reform has not yet been concluded, much less consolidated. If we aspire to achieve sustainable growth — turning the amazing 12.7 percent [growth in GDP] in 1994 into a permanent rate of growth of 8 percent rather than considering it a passing illusion — it is necessary to deepen the reform so as to include agriculture, the judiciary, the executive branch itself, education, health care, payrolls, etc. Nevertheless, one does not see that there is much resolution — or enthusiasm — to do this.

On the contrary, the agriculture minister — in the purest [former president] Velasco Alvarado style — submitted a bill to set limits to farm estates, and the head of state endorsed it. A cabinet reshuffle was subsequently carried out. Except for the education portfolio, this reshuffle was prompted by personal or private reasons rather than by government or policy explanations, something far removed from what is necessary to give fresh impetus to the reform of the state so as to proceed to a second stage in sustained growth and permanent development.

The private sector would be well advised to define a long-term strategy in successful export industries — clothing, agroexportation, tourism — as the U.S. company Monitor has recently suggested. Moreover, the private sector and the government should share the same views about this strategy so as to join forces. This does not mean reducing competitiveness or rekindling protectionism. We have moved from the Mercantilist lobby [preceding word in English] to the unilateral establishment of clear and universal rules by the government, without any dialogue. Things could not be otherwise. This notwithstanding, it is now necessary to reestablish an association between the government and the private sector in order to be successful in the conquest of the world.

The Economy Ministry ought also to leave its ivory tower and overcome its lack of ideas. While it is true that domestic savings must increase and the country must have a fiscal surplus, the theory of an overheating of the economy is just a silly thing that only serves as a pretext for the administration's fear of doing some hard thinking and making decisions. Peru needs a strong exchange policy that is not based solely on the issuing of money. It is also necessary to discuss the advisability of signing the Brady Plan at this juncture. The Economy Ministry should summon the best economists in our country to participate in the discussion and analysis of possible alternatives instead of conducting behind-closed-door negotiations with IMF experts all by itself. It is high

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time we conceived and defined a path that is our very own.

The fact of the matter is that it sometimes seems as if, following five years of a good administration and a successful reelection bid, the overheating is something that is beginning to be seen not in the economy, but rather in the minds of the president and his entourage. This is why — with the best of intentions to cooperate with him — we pass on a recommendation to our head of state: Take a vacation, two weeks if possible. Go fishing with your sons. You surely deserve it after an intense and fruitful term of office. Still, you need, above all, to map out your next term — for the good of the country.

Shining Path Leaders Arrested in Upper Huallaga

PY2906025695 Lima LA REPUBLICA in Spanish 17 Jun 95 p 17

[Article by Correspondent Eladio Arcaya]

[FBIS Translated Text] Tingo Maria — Two top military and logistics command leaders of the Shining Path regional committee in Upper Huallaga and two other terrorists, considered the most cruel in this part of the country, have been arrested by National Police troops.

The arrest of the first three subversives, among them the military and logistics commanders, took place near the dangerous place of Venenillo, in the jurisdiction of Juan Crespo y Castillo District, Leoncio Prado Province.

The other subversive, however, was captured when he tried to obtain the resolution of repentance and his respective code from a police station in Upper Huallaga, where he showed up a few days ago to cooperate with the military and police forces in the anti-subversive struggle.

Police sources reported that while patrolling the highway between Tingo Maria and Aucavacu, they realized that three individuals acting suspiciously rapidly tried to reach the forested area through Venenillo.

The sources added that the subversives were arrested because they had no identification document, despite their protests, because they argued that they were humble peasants who were going to work on their respective farms.

At the police station, however, it was established that they were dangerous criminals who were intensively sought by the forces of order throughout the nation.

They were identified as Juan Carlos Otilio, aka "Elmer"; Eduardo Santiago Marcial, aka "Chino"; and Tobias Hermosilla Huaman, aka "Rambo." The latter two were considered the logistics and military commanders of Shining Path in the Upper Huallaga, respectively.

It was also learned that these terrorists were members of the Shining Path command that ambushed a military patrol in the area of Pacae, located on the Tingo Maria-Aucayacu highway, in May.

It was also said that on that occasion, these three individuals, together with more than 50 comrades, armed with modern weapons, attacked the Army patrol, cruelly murdering five soldiers and seriously wounding 13 others.

It was learned that after the attack, one of the last bloody actions carried out by Shining Path in the Upper Huallaga, the terrorists sought refuge in the jungle area in order to coordinate with the regional committee commands the implementation of new terrorist actions.

Amnesty Law Criticized, Creation of Truth Commission Urged

PY2906013595 Lima LA REPUBLICA in Spanish 17 Jun 95 p 20

[Editorial: "Democracy Under Tutelage?"]

[FBIS Translated Text] Two days after the promulgation of the contemptible impunity law approved by the pro-government majority in Congress —which was rapidly signed by Engineer Fujimori and by Prime Minister Goldenberg — the scandal has nothing but grown. The strongly-worded admonishing communiques by the Catholic Church and by various creeds have been echoed by people and institutions from practically all sectors of civil society, while protests and condemnation continue to come from abroad.

This has cast a shadow over several positive facts, which under any other circumstances would have caused happiness among Peruvians with democratic sensitivity: The arrival from Buenos Aires of General Rodolfo Robles without his being harassed, the releasing of Jaime Salinas Sedo and his fellow retired officers, or the releasing of General Carlos Mauricio, all of them charged with nonexistent crimes.

The releasing of convicted, confessed murders like the Colina Group members, who perpetrated the massacres of La Cantuta and Barrios Altos; of Telmo Hurtado, who directed the Accomarca massacre; of Alvaro Artaza, who perpetrated the Pucayacu tragedy and who was responsible for the disappearance of our correspondent Jaime Ayala; of Colonel Rolando Cabezas, responsible for the Lurigancho genocide; of the policemen who killed student Rodriguez Pighi and two defenseless school children; and of some 100 other uniformed

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officials sentenced for horrible human rights crimes, has staggered people's consciences and caused repugnance.

The sensation of contempt and condemnation increases as new details become known about the negotiations that preceded this shameful law. The negotiations reportedly began with a demand by the Colina Group members, who, in an authoritarian manner, told their superiors that they wanted to leave their jails, threatening — if their demand was not met — to report confidential information on their illegal actions and on who was aware of them. But, how could the "La Cantuta" men be released without causing a protest from the other uniformed personnel?

This has produced a two-way movement. On the one hand, a military command is forced to yield to the pressure of those who "know too much." On the other, the government is concerned about the negative repercussions that the trial of high-ranking officers and the sentence imposed on Gen Mauricio have had abroad (it should be recalled that Amnesty International has stated that this general, who has an excellent record, is a prisoner of conscience).

This is how an unprecedented barter has developed. In exchange for the amnesty for all honest jailed officers, General Hermoza Rios obtained the release of the Colina Group members and of the other Armed Forces and Police members jailed or prosecuted for horrendous crimes against civilians, committed under the excuse of fighting terrorism.

The rumor, which has practically been confirmed, became fully credible after it was learned that the Colina Group members were the first to read the amnesty bill in the computers of their golden prisons (where they stayed for only a few months). After the agreement was reached, the docile majority in Congress was charged with approving it, at any rate and against all reasonable arguments displayed by a scandalized opposition which, before walking out, managed to shake the consciences of some pro-government people.

This is highly worrisome, because it shows that Fujimorism continues to be the hostage of military leaders, to whom he owes his continuation in power after the self-coup of 5 April. The military leaders are reportedly working in order to remain untouched beyond 28 July, when commanders are expected to be replaced. Glued to their posts, the commanders have provoked discontent among those who believe that their aspirations have been neglected because of this situation.

If Engineer Fujimori extends the assignments of those officers, he will simply confirm his condition of a hostage, of a [former Uruguayan President Juan Maria] Bordaberry of a democracy that he himself has labeled unique, but that others would not hesitate to describe as a democracy under tutelage, after showing that he cannot impose his decisions on those to whom he knows he is too heavily indebted.

This uncomfortable situation has become the main problem of the second Fujimori term, and has been reflected in a law that can only be upheld with a good dose of shamelessnes, which is the attitude of some government supporters when they attempt to compare this evil amnesty with the repentance law approved for the terrorists.

This comparison certainly cannot be justified because the law itself bans repentance for those terrorists who are leaders or bosses and who engaged in murders or other violent actions. It so happens that all the uniformed personnel who will benefit from the amnesty — certainly excepting the pro-constitutional people of 13 November and those who have been harassed because of their ideas — were sentenced or being prosecuted for serious human rights crimes.

This law, as we already stated, will deepen the division between Peruvians, offend the innocent victims of those crimes and their relatives, and make no contribution to national pacification and reconciliation. On the other hand, this promulgated, valid law will show that the efforts that some opposition lawmakers announced — insisting on the reconsideration of the first article of the law — have been symbolic and useless.

If we do not want to appear in the eyes of the world as a diminished democracy that is subject to tutelage, in a country in which impunity prevails, it is obvious that many things will have to change before 28 July, and not only in the military leadership. As we have demanded for several months, a commission for truth must be designated, in order to fully clarify what happened during those violent years. We will address this topic in our next editorial.

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